

**7/27/77 [1]**

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THE PRESIDENT'S SCHEDULE

Wednesday - July 27, 1977

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7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:00 Breakfast with Senators. (Mr. Frank Moore).  
(60 min.) The Roosevelt Room.

9:30 Mr. Rex Granum - The Oval Office.

10:30 Meeting with Prime Minister Giulio Andreotti.  
(60 min.) (Dr. Zbigniew Brzezinski) - The Cabinet Room.

1:00 Secretary Joseph Califano - The Oval Office.  
(15 min.)

1:30 Secretary Patricia Harris and Mr. Hamilton Jordan.  
(60 min.) The Oval Office.

2:45 Meeting with Congressmen Joshua Eilberg and  
(15 min.) Peter W. Rodino, Jr., Attorney General Griffin  
Bell and Secretary Ray Marshall. (Mr. Stuart  
Eizenstat and Mr. Frank Moore) - Cabinet Room.

7:30 Congressional Picnic on the South Lawn.  
(approx.)

THE WHITE HOUSE  
WASHINGTON

July 27, 1977

Hamilton Jordan

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: RECOMMENDATION OF CHARLOTTE  
REID FOR FEC

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
X	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

July 27, 1977

*Ham*  
*J*

TO: PRESIDENT CARTER  
FROM: HAMILTON JORDAN  
RE: CONGRESSMAN RHODES? RECOMMENDATION OF CHARLOTTE REID  
FOR FEC

You asked that Congressman Rhodes send you some info  
on her and that I check as well.

That check verifies that Mrs. Reid is a very conservative  
former member of Congress. She served five terms and  
left to accept an appointment on the FCC after reappoint-  
ionment left her in a district with another Republican  
Congressman.

She was not in Congress to vote on the recent election  
reform bills, but her ratings from various organizations  
give some clue as to her political sentiment:


-Americans for Constitutional Action	100%
-Consumer Federation of America	33%

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for Preservation Purposes**

-League of Conservation Voters	28%
-National Association of Businessmen	100%
-ADA	0
-COPE	0
-National Farmers Union	27%

In short, she is a very conservative Republican who could be expected to vote against election reform issues on the Commission.

You should be aware that many issues that confront the Commission have definite partisan features. For example, the National Education Association has over \$300,000.00 tied up by the Federal Election Commission which it would like to use in the 1978 Congressional races. Under a technical ruling sought and obtained by the Republicans (who controlled the Commission during the Ford years), this money was tied up by the Commission in a way that prohibited its use in the 1976 campaigns. People familiar with the law on both sides admit it to be a very partisan thing.



My point is that the best policy is for us to appoint  
an "enlightened" Republican<sup>who</sup> is pro-election reform  
and likely to vote with the Democratic members on  
key issues. Sam Zagoria is such a man. From what  
we have been able to determine about Mrs. Reid, she is  
not.

If it is important to you to accomodate Rhodes, you  
might want to interview her. You should bear in mind  
the fact that several Republican senators who vote with  
us on key issues (Case, Mathias, Lugar, etc) have  
strongly recommended Zagoria. So, if you are intent  
on pleasing Rhodes, you will do so at the risk of dis-  
pleasing these Republican senators.

I recommend that we proceed with the Zagoria interview.

_____	Interview Zagoria.	
_____	Interview Reid.	
_____ ✓	Interview both.	<i>J</i>
_____	Listen to Don McNeil Breakfast Show.	

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REID

CHARLOTTE T. REID

Republican Woman  
Born September 27, 1913  
Kankakee, Ill.

Education: Public Schools of Aurora and Jacksonville, Ill.

Professional singing career under name of Annette King  
for Don McNeill's radio program

Active in civil and political affairs

Married to Frank R. Reid, Jr. -1938 (Deceased)  
2 sons and 2 daughters

Elected to the 88th Congress November 6, 1962, reelected  
to the 89th, 90th and 91st Congress.

Resigned the Congress in October 7, 1971, to become a member  
of the Federal Communications Commission

*From the desk of*

**JOHN J. RHODES**

July 26, 1977 1:30 p.m.

FOR THE IMMEDIATE, PERSONAL  
ATTENTION OF THE PRESIDENT

MINORITY LEADER  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D. C. 20515

## Biography

### CHARLOTTE T. REID

Commissioner, Federal Communications Commission 1971-1976  
Member of the United States House of Representatives 1962-1971

Charlotte Reid served as a Federal Communications Commissioner for five years and as a Member of Congress for nine years, leaving her Congressional Office in 1971 to accept a Presidential appointment to the Commission. She was one of the seven Commissioners making decisions affecting policy and operations of all domestic and international communications.

One of her foremost assignments on the Commission was serving as the Commissioner of Defense with the responsibility of following significant developments in the field of emergency preparedness and defense mobilization. Most importantly, as the Defense Commissioner, she was responsible for a viable communications system providing the means for the President to speak to the Nation in time of national emergency.

Charlotte Reid was elected to the Congress in November, 1962, and re-elected for four successive terms. Her initial assignments were on the House Committee on Interior and Insular Affairs and the Committee on Public Works. She was also a member of the House Republican Policy Committee and the Committee on Standards of Official Conduct.

Subsequently, Mrs. Reid was named by the House Leadership to the powerful Committee on Appropriations responsible for the monetary decisions of the multi-billion dollar national budget. She was appointed to two of its Subcommittees; Foreign Operations and the Subcommittee on Labor-Health, Education and Welfare. At the request of the President of the United States, she left the Congress and her coveted position on the Appropriations Committee in the middle of her fifth term of office to become the only woman Commissioner on the Federal Communications Commission.

Mrs. Reid served as one of the first six Congressional members on the Board of Governors of the John F. Kennedy Center For The Performing Arts. She is an honorary member of the Gamma Phi Beta Sorority and serves on the Board of Governors of the Capitol Hill Club of Washington. Her honorary degrees include Doctor of Laws from John Marshall Law School, Chicago; Illinois College, and Aurora College.

The daughter of Mr. and Mrs. Edward C. Thompson, Charlotte Reid attended Aurora public schools and Illinois College in Jacksonville, Illinois. She studied music and voice with Louise Gilbert of Chicago and was a featured vocalist with the National Broadcasting Company and on Don McNeill's "Breakfast Club", appearing under the professional name of Annette King.

Mrs. Reid is the mother of four children, Patricia (Mrs. George Lindner), Frank, Edward and Susan. She resides at Prospect House, 1200 North Nash Street, Arlington, Virginia 22209.

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On February 28, 1977, Mrs. Reid was elected to the Board of Directors of Liggett Group, Inc.

Zagoria

July 23, 1977

TO: PRESIDENT CARTER  
FROM: HAMILTON JORDAN  
RE: REPUBLICAN APPOINTEE TO FEDERAL ELECTION COMMISSION

In a recent memorandum in which I recommended to you that we appoint Sam Zagoria to the Republican slot on the Federal Election Commission, you requested that we "check with other Republican Senators". We have done so and include their comments for your review:

Senator Richard Schweiker (R-Penn) "I would enthusiastically support him for the FEC appointment. He would be excellent."

Senator Clifford Case (R-NJ) "He would be an excellent appointee. He has the qualifications and temperament for the job and his nomination would be well received by the Congress."

Senator Mathias (R-MD) "I have the highest regard for his ability, integrity and capacity for hard work. I have

known him for many years and can recommend him for the  
FEC without reservation".

Senator Lugar (R-IND) "I worked with Sam on urban  
problems together. He is a good man and would be a good  
appointee."

Senator James Pearson (R-KAN) "Sam would be a good  
appointment for the President to make to the FEC. He  
would be fine with me and certainly recommend him for  
serious consideration".

Recommendation: That you appoint Sam Zagoria to the  
FEC. It would be my suggestion that you first interview  
him and then write a letter to Rhodes and Baker saying  
that you have decided to appoint him, mentioning that  
he has the support of Senators Case, Mathias, Schweiker,  
Lugar and Pearson. This will prevent them from being  
critical of this appointment. Baker and Rhodes obviously  
had hoped to name their own candidate and wanted to force  
someone on you who is against the election reforms that  
the FEC is supposed to supervise and implement.

\_\_\_\_\_ I want to interview Zagoria.

\_\_\_\_\_ I want other candidates.

THE PRESIDENT HAS SEEN.

*Ham - Check with  
other Repub Senators -  
or let Frank do so  
J*

July 19, 1977

TO: PRESIDENT CARTER  
FROM: HAMILTON JORDAN *H.J.*  
RE: FEC APPOINTMENT - REPUBLICAN

You will recall the continuing conversation we have had with Congressman Rhodes and Senator Baker on the Republican appointee to the Federal Election Commission.

At your initial meeting with them, you agreed to give their recommendations serious consideration and to consult closely with them. As a result of that first meeting, they forwarded to us the names of two persons who we confirmed through our own checks to be antagonistic to the whole range of election reform issues. We wrote them a letter requesting ten or twelve names. Their response was that they had submitted the names of two well qualified persons and we should choose from them. (Tab A )

At that point, we decided more letter writing was unnecessary and I contacted Senator Baker and Congressman Rhodes. I told them that while we needed their recommend-

ations and input, to provide us with only two names was to practically make the appointment for us. They said they would consult and get back to us - that was several weeks ago.

We talked with them again today (Dick Moe did as he has been working with them on this). Baker talked with Rhodes and said that they had decided not to submit names. This frees us to proceed with the appointment.

We have identified a good Republican candidate who is an advocate of election reform and the active support of Senator Case. This will make it difficult for Baker to be critical of him as he is being strongly pushed by Case.

His resume and comments are attached. We can look for other candidates, but it will not be easy to find a Republican who is good on these issues and who also has strong Congressional support. (Tab B)

### Biographical Sketch of SAM ZAGORIA

Sam Zagoria is Director of the Labor-Management Relations Service sponsored by the United States Conference of Mayors to provide leaders of local government with information and education on municipal labor-management relations. In this post he has organized training programs including on-the-job internships, established and edited publications, and addressed numerous public interest groups and university audiences.

Before joining the Labor-Management Relations Service, Mr. Zagoria was a member of the National Labor Relations Board, appointed by President Johnson, serving a five-year term from 1965 to 1969. During his term he organized a national program marking the occasion of the 25 millionth voter in an NLRB election, established an internship for law school faculty members, and helped develop an election code outlining worker, union and employer rights.

Prior to his appointment to the National Labor Relations Board, he was administrative assistant to Senator Clifford P. Case (R-N.J.) for ten years. During this period he managed Senator Case's campaign for reelection, assisted Sen. John Sherman Cooper in Kentucky in his successful race for the Senate and managed former Secretary of Labor James P. Mitchell's campaign for Governor of New Jersey.

Before joining Senator Case, he was a reporter and an editor for The Washington Post for ten years. During this period he was elected chairman of the Washington Post unit of the Washington Newspaper Guild, AFL-CIO, and subsequently was elected president of the Washington Newspaper Guild, AFL-CIO.

In this post he helped negotiate contracts with the Washington Times-Herald, Washington Evening Star, Washington Daily News, Richmond Times-Dispatch, Greensboro (N.C.) Daily News and the Bureau of National Affairs in Washington. In 1954 he was selected a Nieman Fellow at Harvard University and specialized in political science and labor relations.

Mr. Zagoria has written a number of articles and is the editor of the book, "Public Workers and Public Unions," published by Prentice-Hall, Inc. He also contributed a chapter to the book, "The Worker and the Job: Coping with Change," published in 1974 by Prentice-Hall, Inc., and a chapter to the book "Collective Bargaining and Productivity," published by the Industrial Relations Research Association in 1975.

In his present post, he has written articles for the Washington Post (job satisfaction, flextime), "Nation's Cities" Magazine, "State Government" Magazine, "Public Management" Magazine, among others.

In recent years he has served on committees of the National Academy of Public Administration, National Academy of Education, U. S. Council on Wage and Price Stability, National Commission on Productivity and Work Quality, the Public Service Laboratory of Georgetown University, and as an adviser to the Committee for Economic Development. He is currently a member of the Maryland Legislative Task Force on Collective Bargaining for Public Employees, appointed by State Senate President Steny Hoyer.

His community activity includes past service with Mrs. Esther Peterson as co-chairman of the Elections committee of Common Cause; vice-president of the Family Service Agency of Prince George's County, Md.; vice-president of the Friends of the Sandy Spring (Md.) Friends School; president of the College Park Woods (Md.) Civic Association; president of the University Hills (Md.) Civic Association, and president of the University Park School (Md.) P.T.A.

Club memberships include Federal City Club, Society of Nieman Fellows and Rutgers University Alumni Association. Member of Temple Sinai, Washington, D.C.

Registered Republican for 20 years.

Feb. 1, 1977

THE WHITE HOUSE  
WASHINGTON

July 27, 1977

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: MCKINNEY NOMINATION  
SENATOR BYRD-AWACS

THE WHITE HOUSE  
WASHINGTON

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<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION  
FYI

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<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 27, 1977

*Good  
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *S.M.*

The Senate Banking Committee has just reported the McKinney nomination, 12 yeas, 3 nays. Those Senators voting nay were: Proxmire, Sarbanes, and Brooke. Senator Proxmire is quite upset that Senator Riegle changed his mind and voted in the affirmative.

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for Preservation Purposes**

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

July 27, 1977

C  
✓

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

Senator Byrd is going to the wall on AWACS as you can see by the attached letter. Byrd will get it on the floor, one way or the other, before the Senate goes out of session.

Although the vote is close, we feel we have a majority in the House International Relations Committee. The House Committee votes tomorrow. If the Committee votes to disapprove, it will not be reported to the House floor. The 30 day Congressional review period expires on August 6 or 7.

Senator Culver is pushing Byrd very hard. Byrd sees this as an opportunity to solidify his support for reelection among more liberal members and the institutional prerogative.

I am going to the Hill now for a called meeting with Senator Byrd and Senator Humphrey. Doug Benet will be representing the Secretary of State at these meetings. They will offer to allow Congress to review the sale again as provided for in the sales contract. I assume you want to push ahead on this. *yes*

Humphrey's subcommittee voted this morning to disapprove AWACS. The Subcommittee is reporting this to the full Committee but are sending you a letter today asking that you withdraw the sale before the full Committee meets and votes tomorrow.

Dictated but not signed by Frank Moore

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for Preservation Purposes**

United States Senate  
Office of the Majority Leader  
Washington, D.C. 20510

July 27, 1977

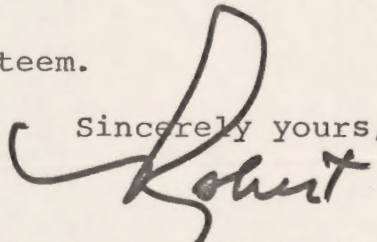
The Honorable John Sparkman  
Chairman  
Committee on Foreign Relations  
S-116, The Capitol  
Washington, D. C.

Dear Mr. Chairman:

With further reference to my letter addressed to you on last Friday, July 22, I respectfully urge that, if the notice of the proposed AWACS sale is not at least temporarily withdrawn by the Administration, the Foreign Relations Committee take action to report a resolution of disapproval. I feel it imperative that if the notification is not withdrawn, the Senate have an opportunity to debate the matter and work its will on such a resolution. I also respectfully wish to make reference to P.L. 94-329, Title VI, Section 601, which makes provision for a motion to discharge the committee, and also makes provision for a limitation of debate on such a resolution and on motions in relation thereto.

With highest personal esteem.

Sincerely yours,

A large, stylized handwritten signature in dark ink, appearing to read "Robert".

Robert C. Byrd  
Majority Leader

cc: Committee members

THE WHITE HOUSE  
WASHINGTON

July 27, 1977

Frank Moore

The attached was returned  
in the President's outbox today.  
The signed original is forwarded  
to you for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat

RE: SENATOR BYRD LETTER ON  
CONGRESSIONAL CAMPAIGN  
PUBLIC FINANCING

cc: Bob Linder

THE WHITE HOUSE  
WASHINGTON

*Handwritten signature*

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<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
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<input type="checkbox"/>	SCHULTZE

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~~THE PRESIDENT HAS SEEN.~~

THE WHITE HOUSE

WASHINGTON

July 25, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT  
STEVE SIMMONS

*Stu*

SUBJECT:

Senator Byrd Letter on  
Congressional Campaign  
Public Financing

As you know, public financing of Congressional campaigns will be debated on the Senate floor this week. A cloture vote is expected on Friday. Frank Moore, Senator Byrd's office, other key Senatorial offices, Labor and Common Cause all agree that it would be extremely helpful for you to send a letter to Senator Byrd reaffirming your policy support of public financing of Congressional campaigns and amending the Federal Election Campaign Act as set forth in S. 926.

We recommend that you sign the attached letter to Senator Byrd. It will be used in the Senate debate.

Michael Blumenthal is also sending a letter to Senator Byrd reiterating the Administration's opposition to the Packwood bill which would increase the tax credit for political contributions to Senate campaigns as an alternative to the approach taken in S. 926 of financing public campaigns through the tax check-off.

THE WHITE HOUSE

WASHINGTON

July 27, 1977

To Senator Byrd

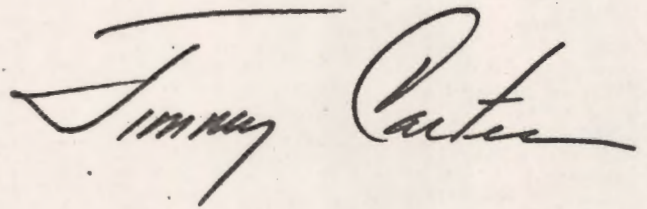
Now that the Senate is actively considering in floor proceedings public financing of congressional campaigns, I want to take this opportunity to reemphasize my strong support for this concept. As I stated in my March 22 Election Reform Message, such public financing is critically important to minimizing "even the appearance of obligation to special interest contributors", and "also provides an opportunity for qualified persons who lack funds to seek public office." It has worked well in the recent Presidential campaigns and can be successfully implemented in the Senatorial context.

In my March 22 Message I suggested a series of principles on which congressional public financing should be based. S.926, the bill presently before the Senate, embodies these concepts aside from public funding of primaries (and in my Message I stated that financing of general elections should be enacted "even if a plan for primaries cannot be adopted this year"). S.926 carries forward a sound approach to public financing of Senate campaigns, an approach that deserves support.

I also want to emphasize that S.926 contains a number of amendments to the Federal Election Campaign Act, including ones I strongly advocated in my Message to strengthen that Act.

I very much hope that the Senate will support public financing of Senate campaigns and strengthen the Federal Election Campaign Act.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable Robert C. Byrd  
Majority Leader  
United States Senate  
Washington, D.C. 20510

Andrew H.

7-27-77

THE WHITE HOUSE  
WASHINGTON

Economics

Nuclear fuel cycle

- Non-prolif Italy policy  
Participating in studies  
Reduction of energy use <sup>13%</sup>  
6 mos

- Primary 46% Sec 55% French  
English

- Economy - Support - investments.  
Overseas sub contracting. military  
for NATO -

- 73 US firms - 40,000 jobs S Italy

- Politics CD-39% Com 34%

a) Either new election (Com may win)  
or b) One party govt - chosen

Law & order a growing problem

THE WHITE HOUSE  
WASHINGTON

Present trends - Loc elections show  
CD  
Local govt autonomy

Relations = Union of Communists  
Now & in crisis = Statements - "never  
oppose soviets" - others dispute =  
Most parallel to Yugoslav attitude

Attitude of Socialists, etc.

Social Democrats - Soc coop  
Com in local govt = Soc & labor

The accord now applies to  
broad program - not to each  
individual bills.

Commun attitude Δ → favorable.  
Sincere ? a) small parties  
Coop = CD's b) CD performance  
c) Induce com moderation

THE WHITE HOUSE  
WASHINGTON

CD looking better  
Com moderating - i.e.  
losing favor & support  
Soc, etc → CD  
Keeping strong toward West

—  
Warsaw Pact ties weakening  
a) Malta -

b) ILO - don't withdraw

THE WHITE HOUSE  
WASHINGTON

E/W - SALT - CM - MBTR -  
MIDEAST - SOVIET

-  
ECON OF ITALY - IMF

-  
ENERGY

-  
EUROPEAN ARMS → NATO

-  
ENCOURAGE INVESTMENTS IN ITALY

-  
Nuclear FUEL CYCLE  
(language)

-  
ED & CULTURAL ^ EXCHANGE

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THE WHITE HOUSE  
WASHINGTON

Andrews

Emphasize importance of  
defence re military, etc

- MBFR = emphasize M

- Increasing military budget

- Neutron weapon?

- U.S. reputation now → peace

N<sub>2</sub> bomb Δ's reputation

- Paul Warnke report

1) peaceful use \* Prob

2) Onsite inspection

Italy → PLO → Israelist

Guarantee - Begin, "no"

Public statements adamant

Jerusalem - Saudi moderate

Soviets want M East peace?

THE WHITE HOUSE  
WASHINGTON

*Ethiopia / Somalia*

*Som → Rome      U.S. friends*

> *Principle of arms sales*

*Saudi → Som*

*Yugo, & → Ethiopia*

*Italy / Eritrea = work c. Saudi's*

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THE WHITE HOUSE  
WASHINGTON

Mr. President:

The attached report from  
Secretary Harris arrived  
at our office at 9:15 a.m.  
today for your meeting  
this afternoon.

Rick (wds)

THE WHITE HOUSE

WASHINGTON

July 25, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT  
BOB GINSBURG

*Stu*

SUBJECT:

Secretary Blumenthal's Timetable  
for Tax Reform

In connection with Secretary Blumenthal's proposed timetable for tax reform, we would like to make the following points:

1. We agree that it would be useful to sound out the key leadership of the tax committees concerning their general views on tax reform. You should expect the Congressmen to be fairly apprehensive about our effort because they have just been hearing of the preferences we want to close and not the substantial benefits we will bring to the great majority of their constituents. Accordingly, you should not be deterred by views which may well sound anti-tax reform in tone.
2. We don't think you should meet with just "one or two interest groups." You will either have to make the rounds of all significant interest groups (which we would not recommend) or, better, meet with representatives from a number of different groups at the same time.
3. We believe that there should be more significant consultation with interested Cabinet officers.
4. While it would be helpful for you to make tentative decisions by mid-August, we think your initial sign-off does not have to occur until about September 1.
5. Treasury should consult with Frank Moore's shop and develop a coordinated legislative strategy.



THE PRESIDENT HAS SEEN.

1:30 p.m.

THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

July 26, 1977

*Handwritten signature/initials*

MEMORANDUM FOR: The President

SUBJECT: HUD Briefing on July 27

I am enclosing a brief report which I hope you will find the time to review before our meeting on Wednesday. This report summarizes the issues that we would like to review with you.

*Pat*

Patricia Roberts Harris

Enclosure

cc: Hamilton Jordan  
Landon Butler  
Stu Eizenstat  
Jack Watson

**Electrostatic Copy Made  
for Preservation Purposes**

## SUMMARY PAPER FOR HUD BRIEFING WITH THE PRESIDENT

JULY 27, 1977

### I. The Nixon-Ford Legacy

On January 24, 1977, the Department of Housing and Urban Development was a Department with greater problems than anyone could expect and greater opportunities than anyone had guessed. The Republican Administration had used the Department's failures and scandals to shut down the programs designed by Democratic Congresses to aid the housing and community development needs of America's cities. Under the Nixon-Ford Administration, the Department which had been created to achieve a decent home in a decent environment for every American had stopped Federal housing programs for low and moderate income people.

Five million families continued to live in sub-standard housing, while our national housing programs were strangled in bureaucratic inefficiencies. As inner-city neighborhoods continued to decline, HUD did nothing to utilize creatively the 50,000 units of Public Housing which were vacant or uninhabitable and which were costing the government millions of dollars each year in lost revenue and increased operating expenses. Moreover, as 1,500 communities were receiving more than 3 billion dollars of Community Development Block Grant funds, HUD performed no substantive monitoring of the expenditure of those funds to ensure that national objectives were being carried out by local governments. Finally, while minorities sought equal opportunity in housing, HUD refused to deal with the difficult issues of dual housing markets and local public housing policies that reinforced patterns of racial segregation.

On January 20, 1977, HUD's internal management was in disarray. Deliberate efforts had been undertaken to cripple the Department and its programs; no sense of accountability existed to Central Office, and Assistant Secretaries had little say in the direction of programs and policies. Dedicated career

persons had been demoralized by an Administration that placed a moratorium on housing construction and ignored our cities; the Department was reorganized 19 times in eight years. Moreover, HUD's program delivery has been incredibly slow and inefficient and many of its different functions have never been internally integrated. For example, nine months were needed to set up regulations for the reactivated Public Housing programs.

Furthermore, personnel resources were not allocated in response to need and overhead costs in the field offices were excessive, while Regional Offices operated freely without control. In summary, the public was not being served by HUD, while the cost of doing business with HUD was driving the private sector out of the business of providing assisted housing.

A. The Community Development Block Grant Program

Until 1977, the purposes of the Community Development Block Grant program, which had been developed by a Democratic Congress in 1974 to provide a flexible but predictable and assured level of assistance to America's communities, had been subverted. Community Development Block Grant funds were in some cases being spent on ineligible activities, low-income housing requirements of program were not being met, funds were not being spent in a coordinated fashion, and funds were not being spent to benefit low and moderate income people or to eliminate slums and blight. The program's focus had been shifted away from older, distressed cities. In addition, smaller and rural communities which were funded were, nevertheless, stymied by the excessive paperwork and the annual funding requirements.

B. The Housing Problem

In January, 1977, nearly 15 million families looked to the new Administration for some relief for their housing problems. 5.4 million of these families lived in substandard or overcrowded housing conditions, while 9.3 million paid in excess of 25% of their income for rent.

The Federal Housing programs, however, were characterized by a start and stop syndrome and strangled in red tape and bureaucratic inefficiency. Furthermore, the housing industry has been plagued by rapidly increasing costs, especially interest costs. The median price of a new home is up 89 percent since 1970, making it difficult for many middle income families to afford a new home.

## II. The Carter Administration Response

The first Administrative task at HUD was to inform the Department's career civil servants that they would be challenged to achieve the dual responsibilities which, theretofore, had never been articulated:

- Revitalizing of urban areas by targeting and coordinating community development funds, new assisted housing and housing rehabilitation programs into deteriorating inner city areas to help them become dynamic, viable places to live, work and raise our families, and
- Encouraging and facilitating the production of housing, thereby providing freedom of opportunity and expanded housing options to people, regardless of race, ethnic origin, or economic condition.

### A. The Legislative Initiatives

In order to reverse the decline of urban America and the housing opportunities for the Americans, a legislative package was submitted to Congress.

This package includes (1) the three-year reauthorization of the Community Development Block Grant program to give more predictability to Federal assistance for local economic development and (2) the addition of a second formula for entitlement funding to target block grant funds to older distressed cities, as well as the initiation of urban development action grant program designed to meet the unique, non-recurring development needs of urban America, and to give local government leaders a flexible tool to combine Federal and local assistance with private sector commitment to achieve urban revitalization.

In addition, the Congress has approved (1) an increase in assisted housing for Fiscal 1978 to 164,000 units of existing housing, 136,000 units of rehabilitated housing and new construction, and a reactivation of the public housing programs to 81,000 units, including 6,000 units of Indian Housing and (2) an expansion of the Urban Homesteading program to 15 additional cities, a program providing \$6 million in property loans which cities estimate will leverage \$25 million in public and private investment in designated urban neighborhoods.

Finally, to assist the middle class and young families to achieve homeownership, the legislation provides for an increase in mortgage limits in FHA-insured programs, along with reduced downpayment requirements and an expansion of the graduated payment mortgage plan to broaden ownership opportunities for younger families.

#### B. New Administrative Directions in Community Development

Whatever legislative initiatives are approved, they will have little impact unless the Department can manage its programs effectively. Accordingly, HUD has undertaken a series of administrative actions to change the focus of HUD's programs to conform with the intent of the original legislation.

The first area of dramatic change was in the Community Development Block Grant program. On April 15, 1977, new field directives to clarify the intent of the CDBG program were issued which made it clear to all participants in the CDBG program that HUD would monitor the operations of the program and enforce the requirement that local programs must benefit low and moderate income people by funding projects that aid low and moderate income neighborhoods, eliminate slums and blight, or meet urgent needs. In addition, the directive made it clear that cities that will not accept their fair share of low and moderate income housing no longer will receive their share of CDBG funds. Moreover, under the direction of Assistant Secretary Embry, paperwork has been reduced substantially for smaller towns and comprehensive funding has replaced one-shot, low level grants.

HUD also will soon be proposing to the Urban and Regional Policy Group a federal regional strategy to coordinate federal programs at a Regional level to maximize their effectiveness and achieve national goals. At present, cities are unable to solve problems with planning policies that stop at municipal boundary lines. In the Carter Administration, the goal will be to use Federal funds to encourage metropolitan areas to formulate Regional Planning strategies which promote the integration of available Federal resources. Common sense dictates that scarce Federal resources should not be used to promote policies that defeat national goals by energy consuming and environmentally wasteful suburban sprawl.

HUD will commence a voluntary program in Fiscal 1978 which will provide increased funding of the various HUD discretionary programs such as the 701 Planning program, 312 loan program, CDBG program, targeted tandem and Urban Development Action Grants to encourage local governments to develop these regional strategies.

HUD will review these locally developed programs and determine how effectively they implement national goals and will request inter-agency support to strengthen the entire local planning process. The Department will utilize regional councils of government and, where appropriate, states, as the organizational entity to formulate the metropolitan strategy. If the Demonstration program is effective, this Regional approach to planning would become standard practice for HUD programs in Fiscal 1979. Eventually, this Regional strategy approach could be applied to other Federal programs affecting those areas participating in the Demonstration program.

#### C. Increased Efficiency in Housing Programs

On the housing side, processing time has been radically reduced and program efficiency improved in the entire Section 8 program. Housing funds are allocated to field offices now in record time; indeed, the recent supplemental appropriations for Section 8 were allocated to the field in three days. A 30-day process

has been cut to 75 hours. The impact has been obvious. As of March 1, 13,000 units had been started; as of July 15, 62,000 units were started, a figure almost double the total effort of the previous year.

Moreover, in the four-month period ending May 31, FHA insured 116,000 single-family units, nearly 50 percent of the total volume for Fiscal '76, and 30,000 multifamily units, 66 percent of the '76 volume.

To provide low and moderate income people with access to subsidized housing in areas that are being improved so that they will not be displaced by market forces in areas experiencing housing revitalization, new procedures have been established to facilitate the use of the Section 8 subsidized housing rehabilitation program for neighborhood conservation and the Department has earmarked 20,000 units for inner-city rehabilitation.

Finally, in response to the problems of middle-income homeowners, the Department has begun a detailed evaluation of housing costs. The Task Force which has been formed will focus on the numerous issues, including interest rates, material and labor costs, local controls and federal regulations, which have increased housing costs dramatically in recent years.

#### D. Improved Overall Management

To prevent a repetition of the inefficiency, waste and even corruption of the previous Administration, HUD has established, during the six months of the Carter Administration, a series of internal management goals, including strengthening accountability, tightening budgetary controls, opening up communication with our constituents, and improving program operation and efficiency. A scorecard system was introduced to our Regional offices, which has brought the timeliness of accounting reports from 80 percent to 100 percent. The Office of Inspector General was encouraged to pursue vigorous investigations of any suspected fraud or illegal activity in the administration of HUD programs, in response to which U.S. News and World recently said: "...The Department of Housing and Urban Development has made impressive gains in bringing fraud under control in Federal housing programs."

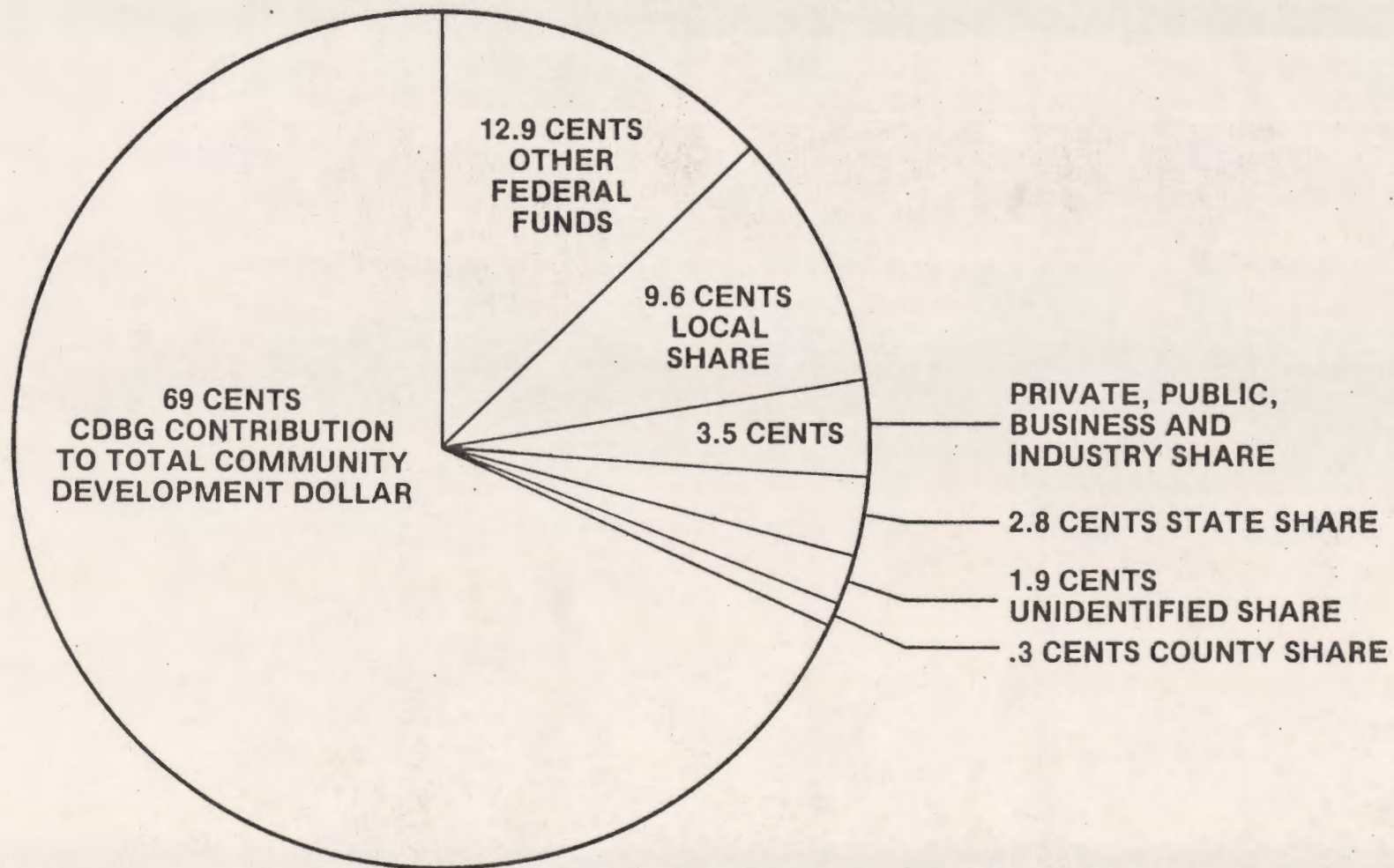
In addition, a major effort has been undertaken to streamline the HUD field organization. We intend to: (1) reduce the number of field offices from 87 to 47, and redeploy the field staff in a more effective way; (2) eliminate all of the 35 insuring offices and six area offices to reduce overhead costs; (3) merge regional and area offices that existed in the same cities to avoid differentiation of services (we are combining offices in Denver and Seattle and co-locating them in other areas); and (4) provide for more direct lines of authority between the Central Office and field organization, with administrative responsibility and accountability resting in each program Assistant Secretary.

Additionally, a new career selection and development process has been established which will employ the merit staffing system to place qualified career people in a talent bank which will be available to staff the Department with competent managers. Finally, we are working on regulation reduction and process simplification in all of our programs. An intra-department task force will be established this week to coordinate a major review of all HUD regulations with primary emphasis on reducing paperwork involved in the Section 8 housing program.

### III. Summary

In the first six months of the Carter Administration, HUD has articulated, for the first time, the relationship between the dual goals of a decent home for every American and revitalization of our urban areas. Major administrative and legislative actions have been taken by the new HUD and results are beginning to show in the area that counts: improved performance statistics in every region of HUD. Moreover, HUD's career employees are gaining a sense of urgency about their business and confidence in their decisions, while the Department's clients and constituents, as well as the Congress, have joined together with the Department in an effort to achieve the objectives for which the Department was established.

## THE COMMUNITY DEVELOPMENT DOLLAR



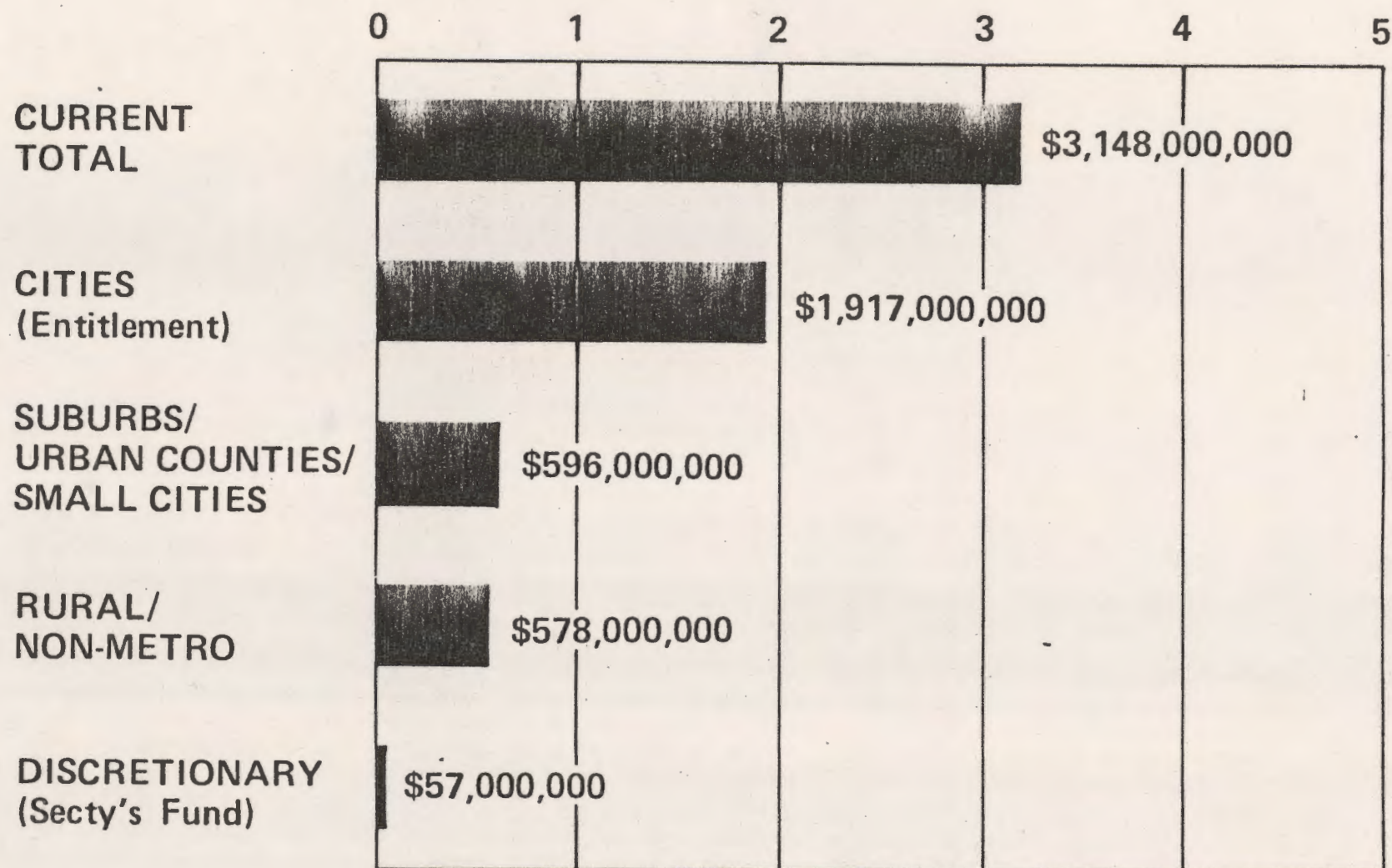
**INCREASED CDBG FUNDING TO TWENTY LARGEST CITIES  
UNDER CARTER ADMINISTRATION**

	<u>1977 ENTITLEMENT</u>	<u>1980 (PROJECTED)</u>
NEW YORK	\$150,651,000	\$258,323,000
CHICAGO	61,594,000	134,251,000
LOS ANGELES	48,689,000	58,632,000
PHILADELPHIA	57,163,000	73,392,000
DETROIT	28,304,000	66,411,000
HOUSTON	22,597,000	27,212,000
BALTIMORE	29,042,000 (HH)	32,832,000
DALLAS	14,530,000	17,497,000
SAN DIEGO	10,281,000	12,381,000
SAN ANTONIO	17,700,000	21,314,000
INDIANAPOLIS	11,744,000 (HH)	12,587,000
WASHINGTON, D.C.	40,998,000 (HH)	23,517,000
MILWAUKEE	12,621,000 (HH)	23,385,000
SAN FRANCISCO	28,430,000 (HH)	29,419,000
CLEVELAND	16,092,000 (HH)	40,613,000
MEMPHIS	14,925,000	17,973,000
PHOENIX	9,575,000	11,530,000
BOSTON	28,993,000 (HH)	27,205,000
NEW ORLEANS	16,831,000	23,318,000
ST. LOUIS	14,532,000	37,911,000

# DISTRIBUTION OF COMMUNITY DEVELOPMENT FUNDS

(FY 1977)

Billions of Dollars



**COMMUNITY DEVELOPMENT PROGRAM  
ACTIVITIES**

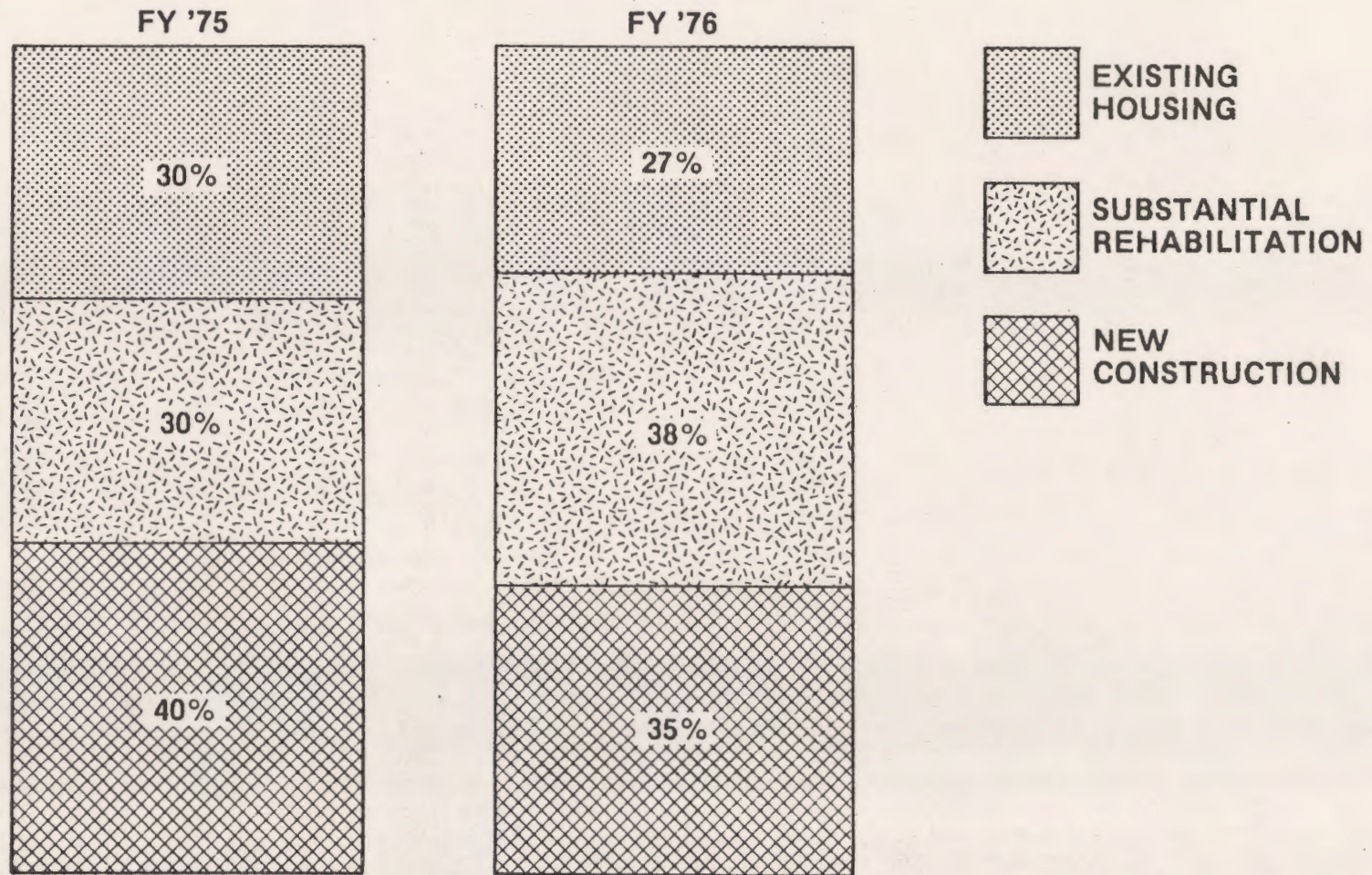
	<b><u>FY 1976 PERCENT</u></b>
<b>REDEVELOPMENT RELATED</b>	<b>27.6</b>
<b>CODE ENFORCEMENT</b>	<b>1.5</b>
<b>OTHER PUBLIC WORKS</b>	<b>22.8</b>
<b>WATER AND SEWER</b>	<b>3.6</b>
<b>OPEN SPACE AND NEIGHBORHOOD FACILITY</b>	<b>8.0</b>
<b>HOUSING REHABILITATION</b>	<b>19.8</b>
<b>SERVICE-RELATED FACILITIES AND EQUIPMENT</b>	<b>5.8</b>
<b>PUBLIC SERVICES</b>	<b>10.8</b>

## NEW INITIATIVES

- METROPOLITAN STRATEGY
- ENCOURAGE MIDDLE CLASS  
RETURN TO THE CITY
- HOMESTEADING
- URBAN ADVOCATE
- URBAN EXTENSION

# HAP GOALS

## PROGRAM MIX FOR FISCAL YEARS 1975 AND 1976



UNIT TYPES AS PERCENTAGE  
OF TOTAL GOAL

# ***CAPITAL INVESTMENT IN URBAN AREAS***

## ***(Billions of \$)***

<u>Public Housing</u>	<u>FHA</u>		<u>TOTAL</u>
	<u>(Single Family)</u>	<u>(Multi-Family)</u>	
1970 \$1.2	\$ 7.0	\$2.7	\$10.9
1971 .8	8.8	3.3	12.9
1972 1.0	6.9	2.8	10.7
1973 .5	3.9	1.8	6.2
1974 .3	3.6	1.0	4.9
1975 .3	5.6	.9	6.8
1976 .9	5.9	2.0	8.8
1977 2.4	7.7	1.8	11.9
<b>TOTAL \$7.4</b>	<b>\$ 49.4</b>	<b>\$16.3</b>	<b>\$73.1</b>
<b>PROJECTED 1978 \$4.3</b>	<b>\$9.0</b>	<b>\$ 3.4</b>	<b>\$17.6</b>

## HUD SINGLE FAMILY INSURED

	<u>HOMES</u>	<u>TOTAL INSURANCE WRITTEN</u>	<u>AMERICANS BENEFITED</u>
1934-1976	12.5 MILLION	\$148.6 BILLION	44 MILLION

1976	<u>HOMES</u>	<u>INS. WRITTEN</u>
	230,341	5.7 BILLION
	32,126 (NEW	
	198,215 (EXISTING)	

### AVERAGE MORTGAGE

NEW	\$32,146
EXISTING	\$25,677

### AVERAGE FAMILY INCOME

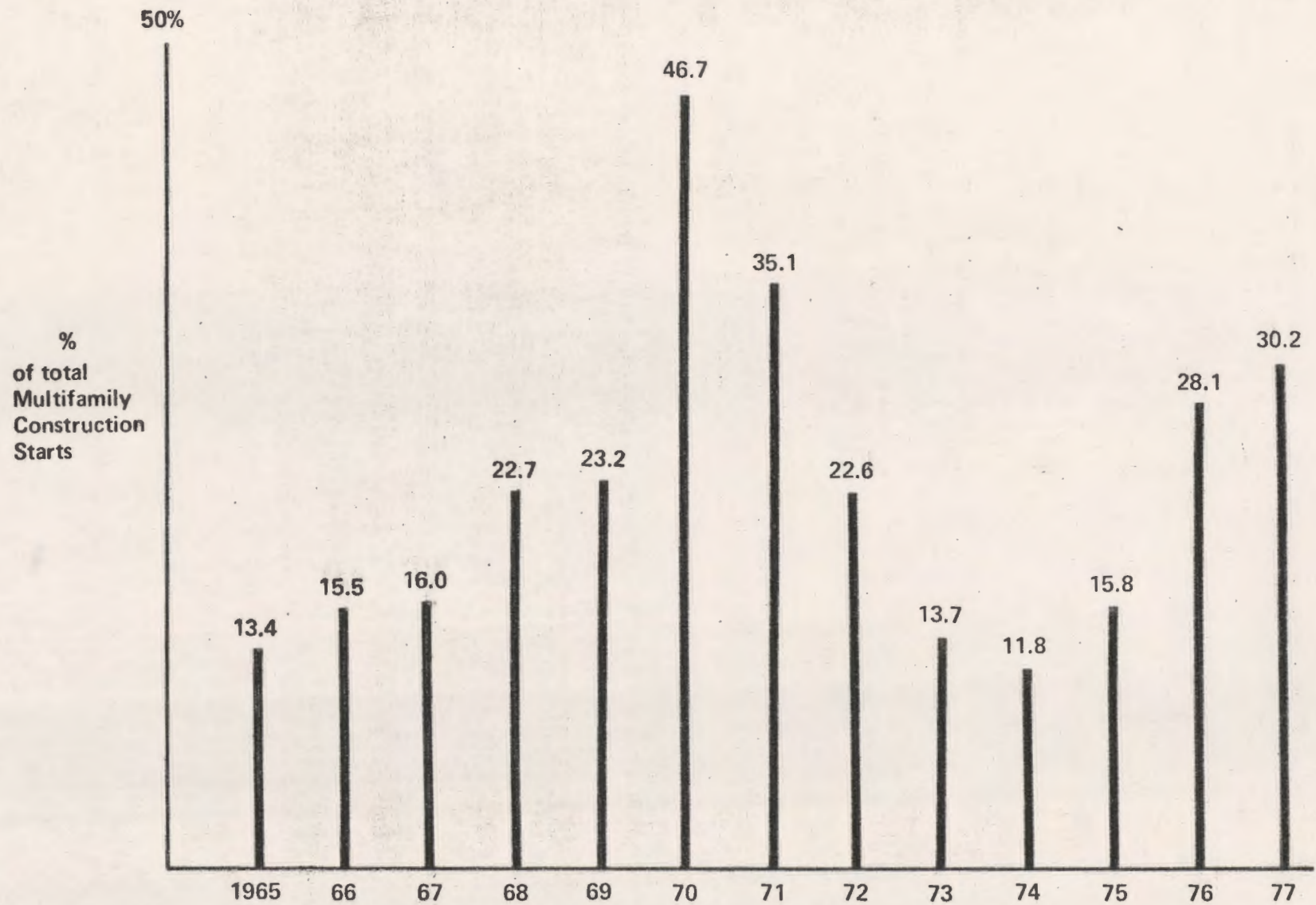
NEW	\$19,799
EXISTING	\$17,401

### AVERAGE AGE OF BORROWER - 31

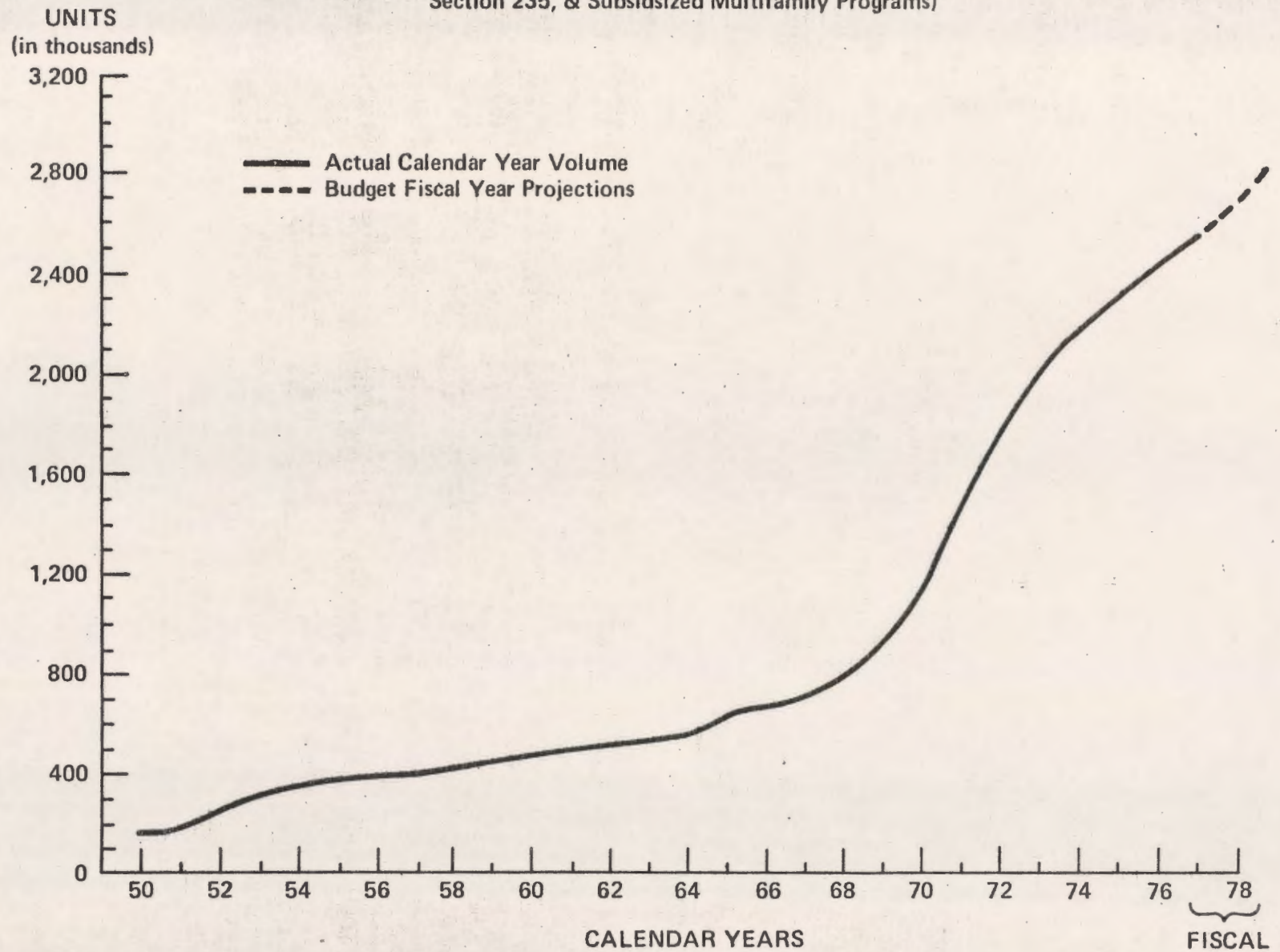
### LOCATION OF INSURANCE WRITTEN

URBAN	57%
SUBURBAN	42%
RURAL	1%

MULTIFAMILY CONSTRUCTION STARTS  
HUD SHARE OF MARKET BY YEAR.

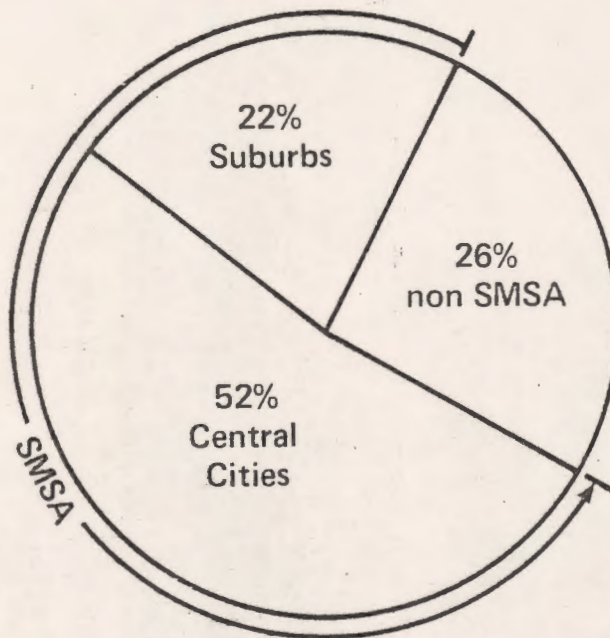


UNITS MADE AVAILABLE<sup>1/</sup>  
FOR LOW AND MODERATE INCOME FAMILIES  
(Cumulative for Low Rent Public Housing, Section 8,  
Section 235, & Subsidized Multifamily Programs)

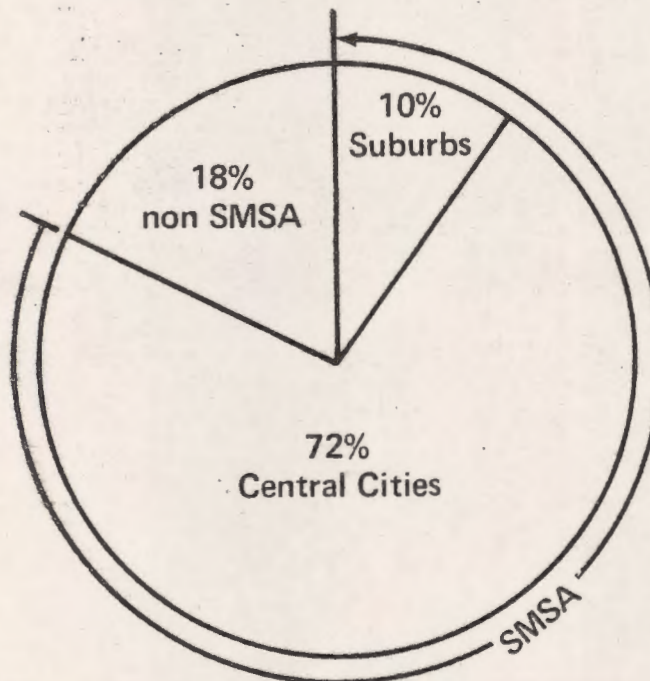


<sup>1/</sup> Low Rent Public Housing - Units available for occupancy  
Section 8 - Units occupied  
Section 235 (old & revised) - Insurance written  
Subsidized Multifamily - Final endorsements

LOCATION OF ASSISTED  
HOUSING PROGRAMS

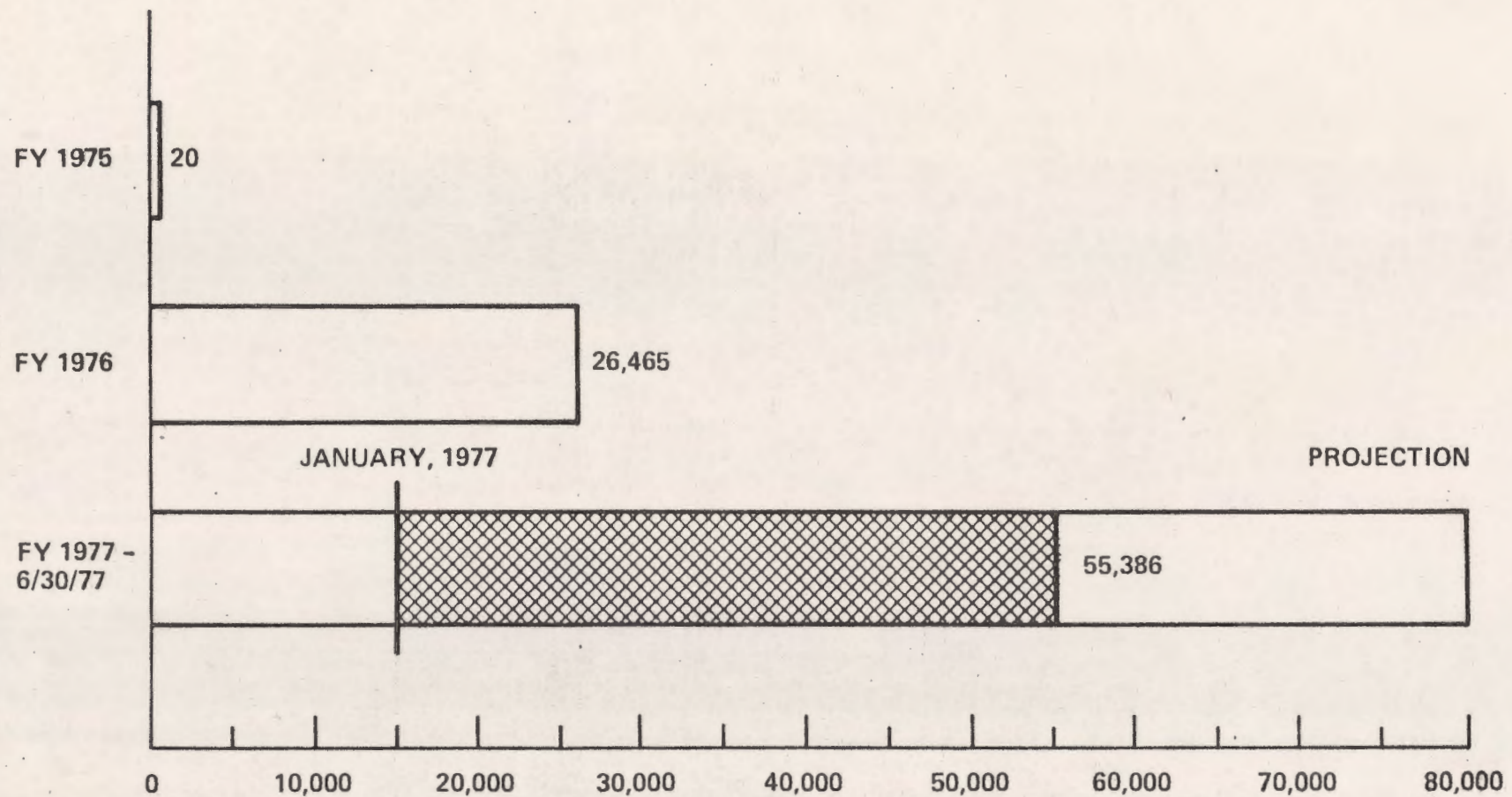


LOW AND MODERATE INCOME  
ASSISTED HOUSING (FHA)

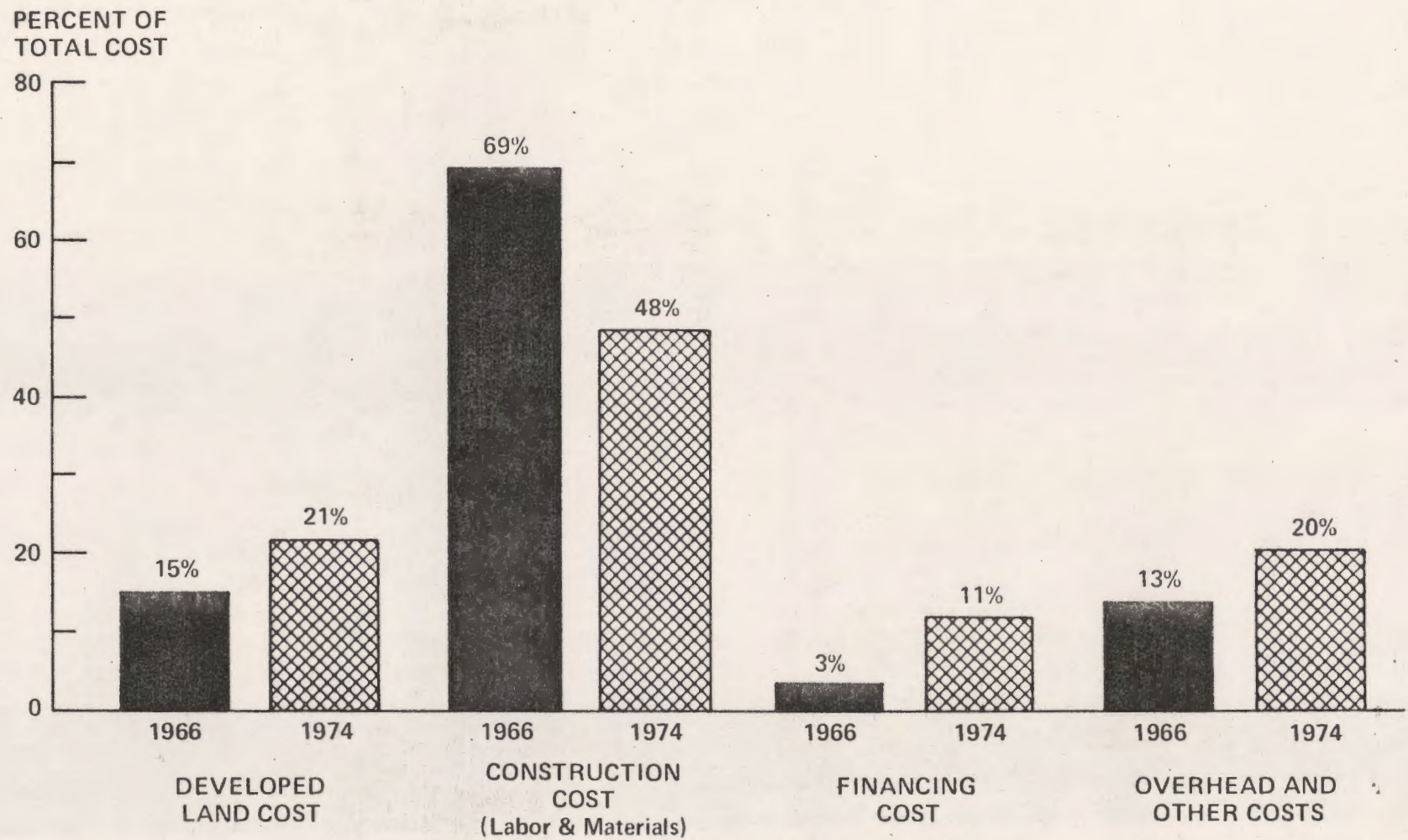


LOW INCOME PUBLIC  
HOUSING

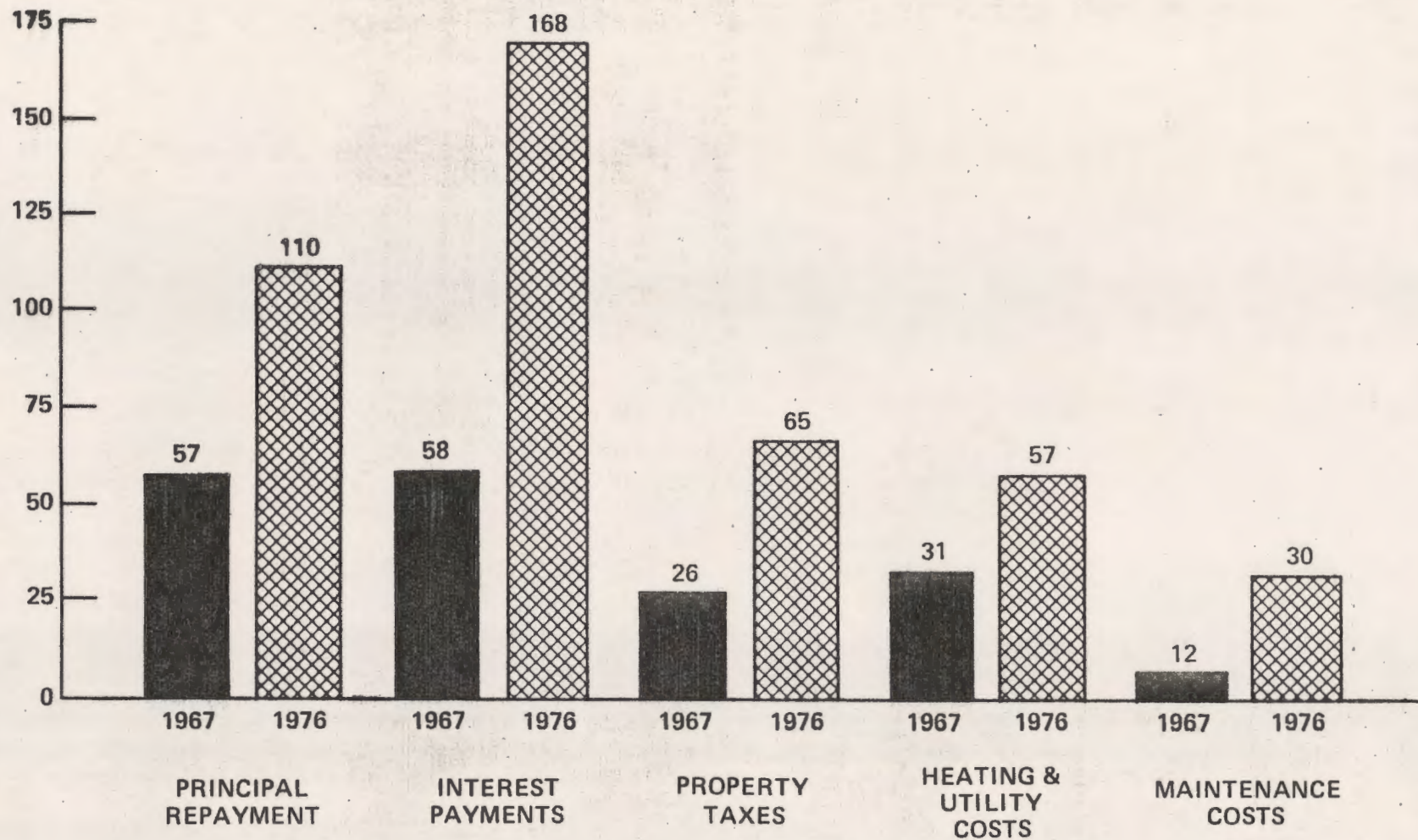
HOUSING UNITS STARTED  
UNDER SECTION 8  
FY 1975-1977



CHANGE IN CONSTRUCTION COST COMPONENTS  
(Typical Single Family House)  
1966 - 1974

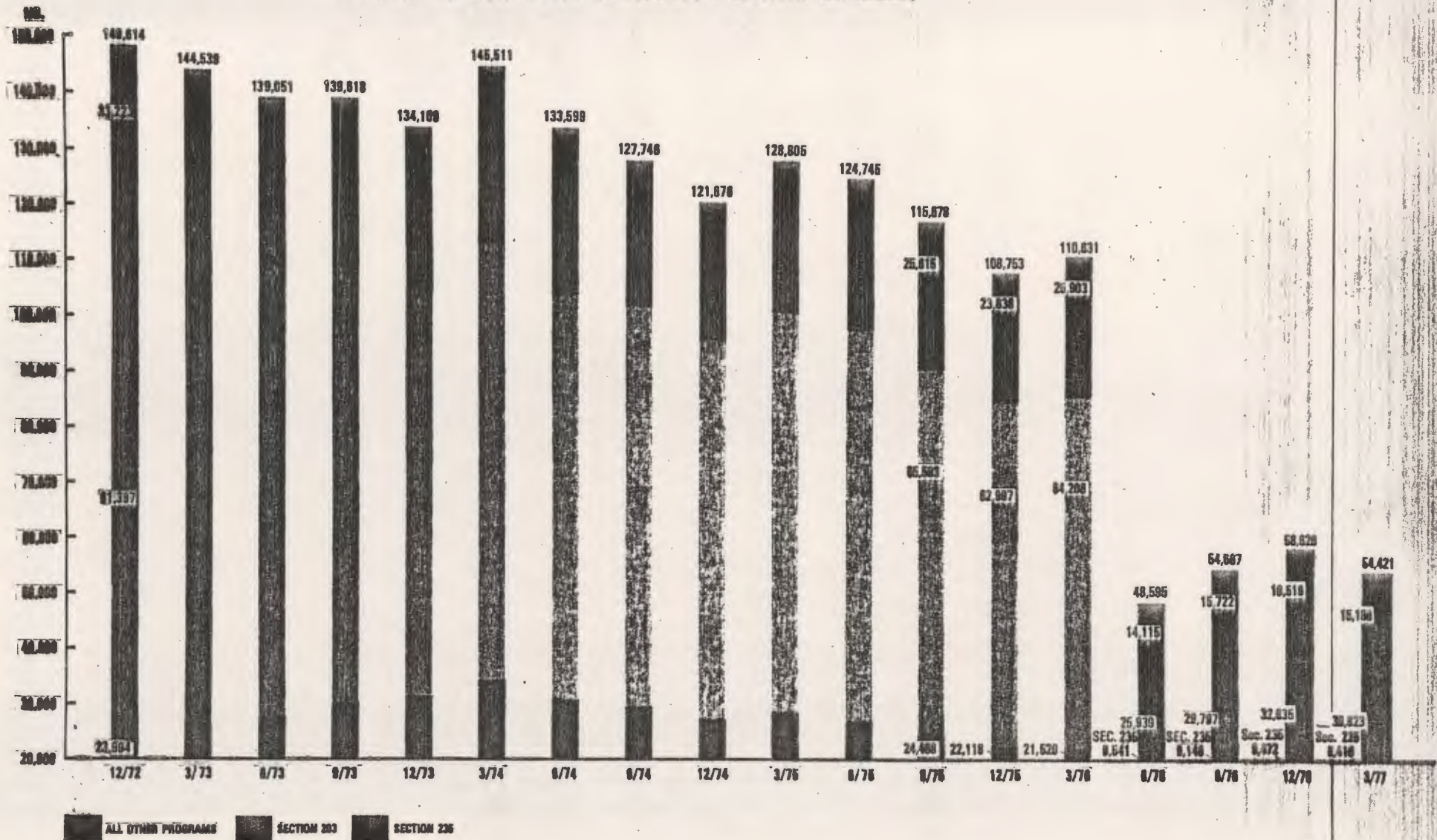


INCREASE IN VARIOUS MONTHLY HOUSING COSTS  
FOR A MEDIUM PRICES NEW HOME  
1967 - 1976  
(\$22,700 (1967) - \$44,200 (1976))

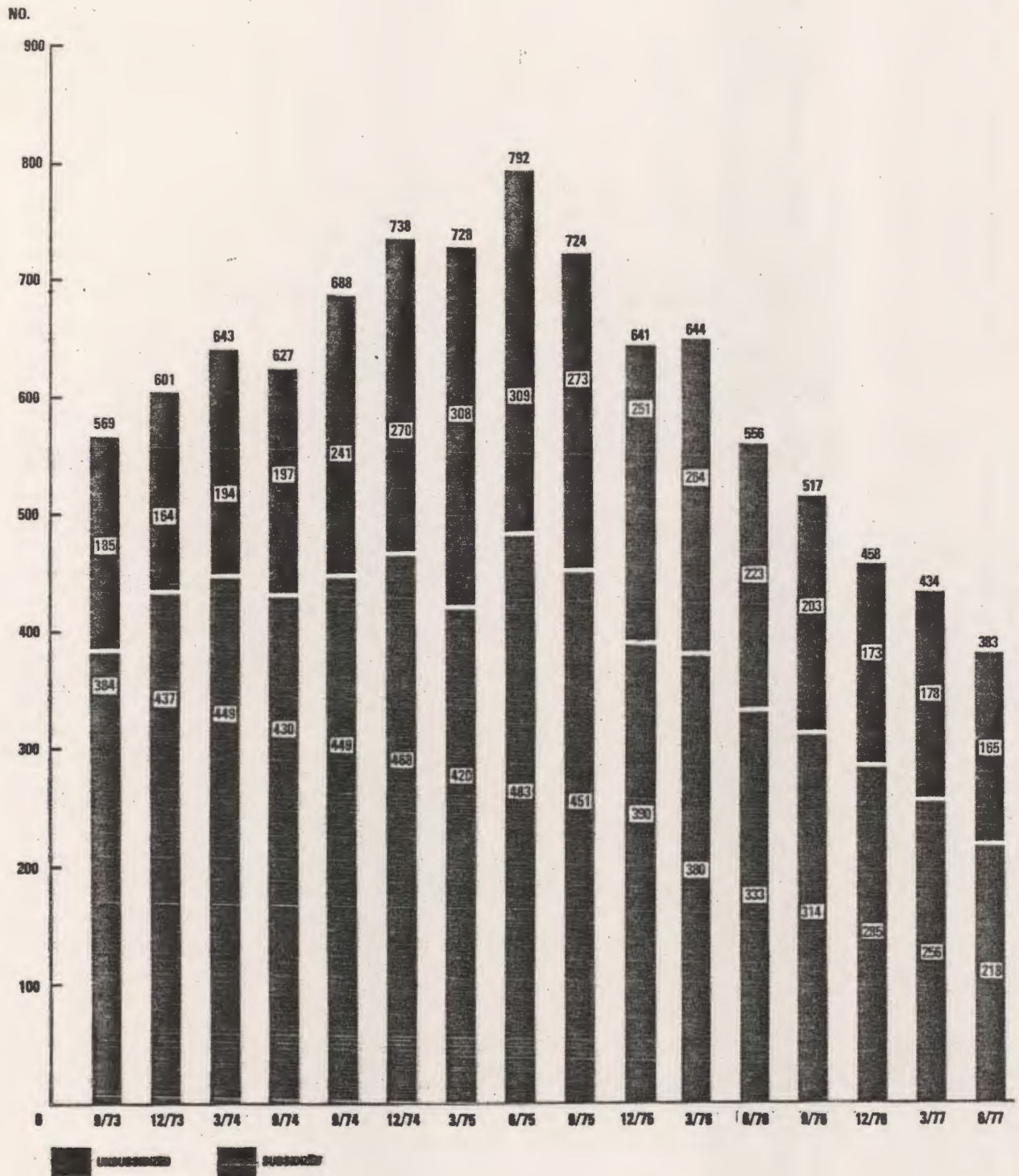


# SINGLE FAMILY MORTGAGES IN DEFAULT

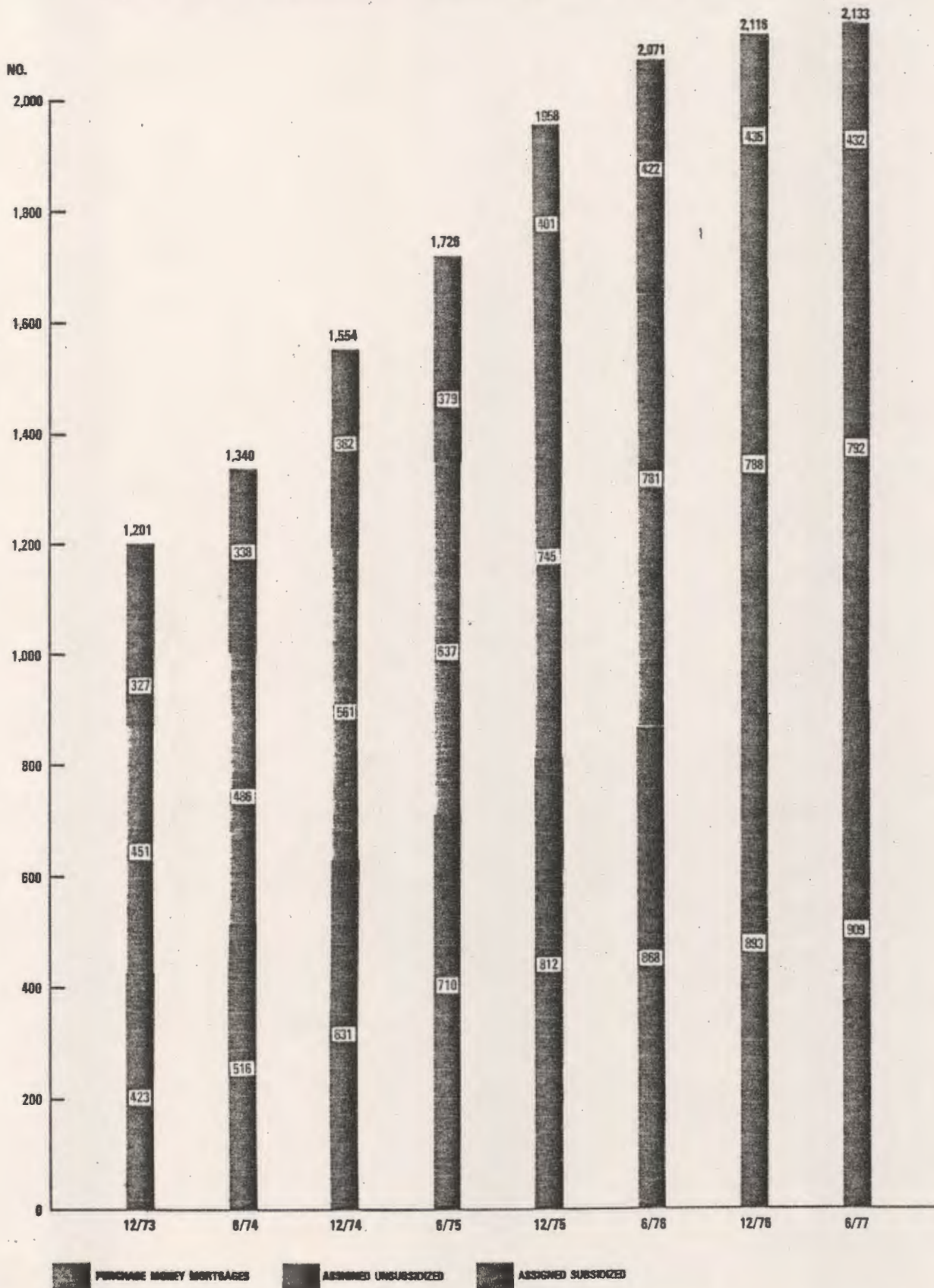
(NUMBER OF MORTGAGES IN DEFAULT 3 MONTHS OR MORE)



# MULTI FAMILY PROJECTS IN DEFAULT



# HUD-HELD PROJECT MORTGAGE INVENTORY



# TOP 20

# ACQUIRED HOME PROPERTIES 7-1-77

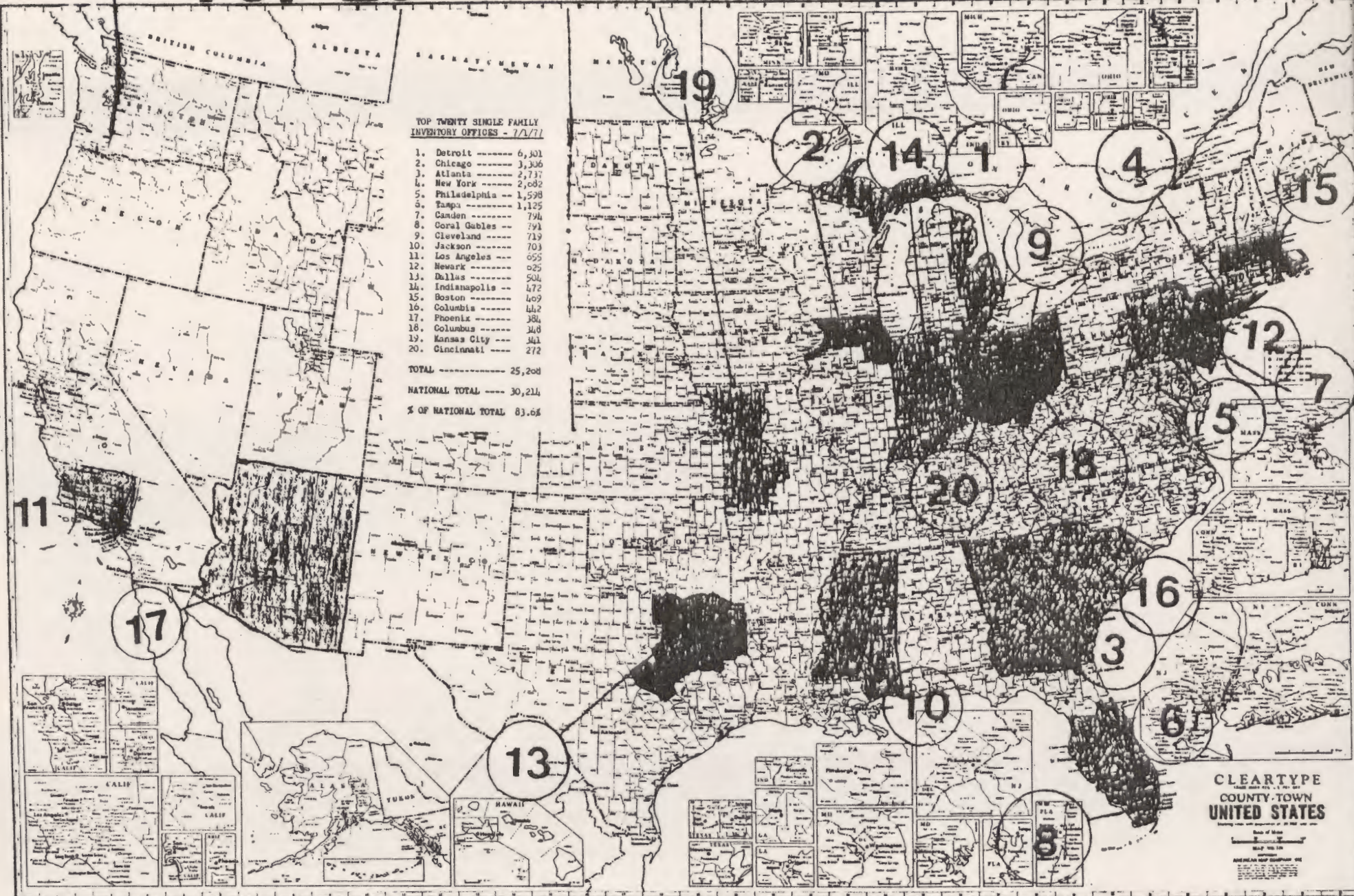
## TOP TWENTY SINGLE FAMILY INVENTORY OFFICES - 7/1/77

1. Detroit	6,301
2. Chicago	3,306
3. Atlanta	2,717
4. New York	2,082
5. Philadelphia	1,528
6. Tampa	1,125
7. Camden	794
8. Coral Gables	791
9. Cleveland	719
10. Jackson	703
11. Los Angeles	655
12. Newark	629
13. Dallas	504
14. Indianapolis	472
15. Boston	469
16. Columbus	442
17. Phoenix	384
18. Columbus	346
19. Kansas City	341
20. Cincinnati	272

TOTAL ----- 25,208

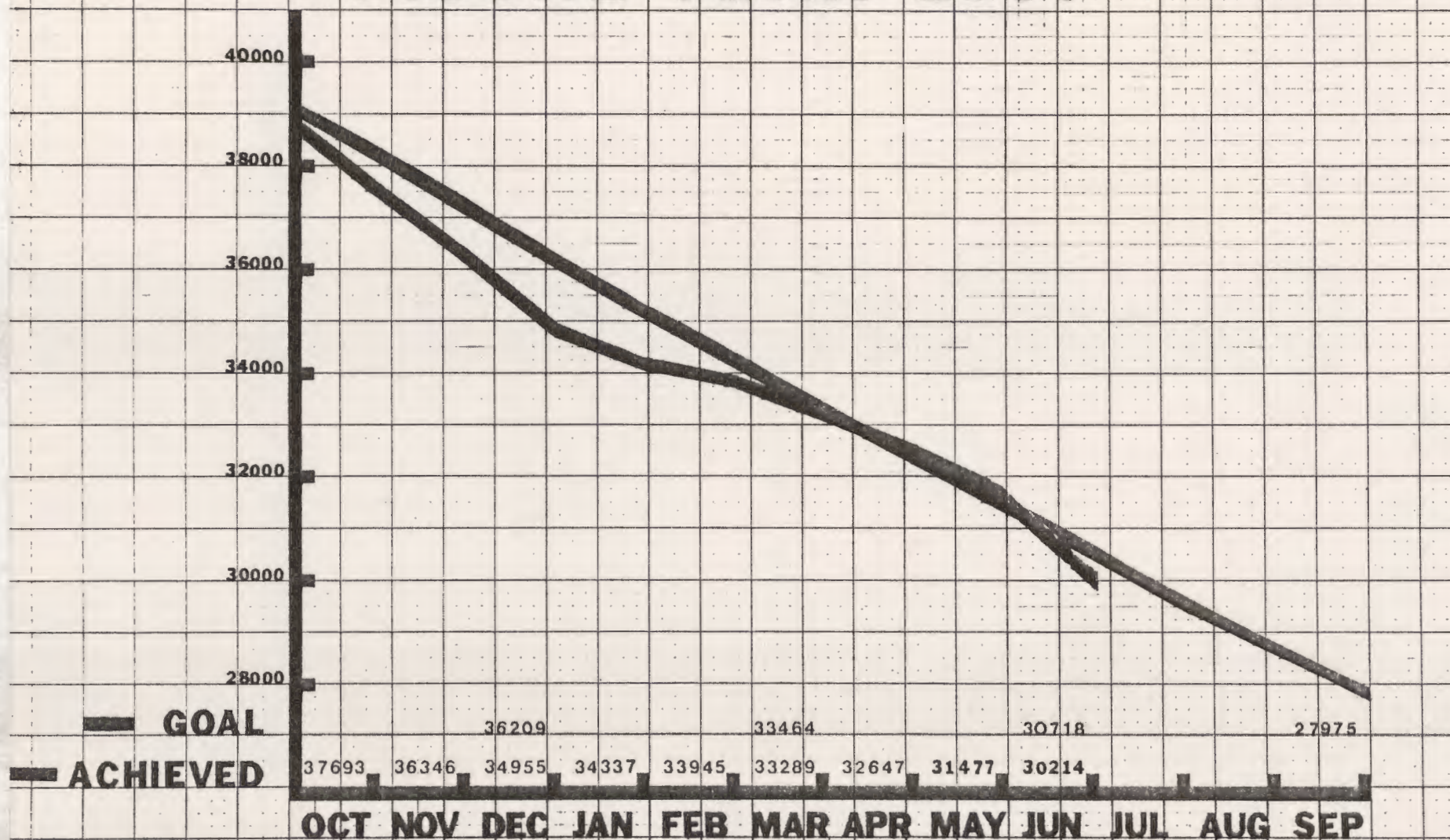
NATIONAL TOTAL ---- 30,214

% OF NATIONAL TOTAL 83.6%



CLEARTYPE  
COUNTY-TOWN  
UNITED STATES

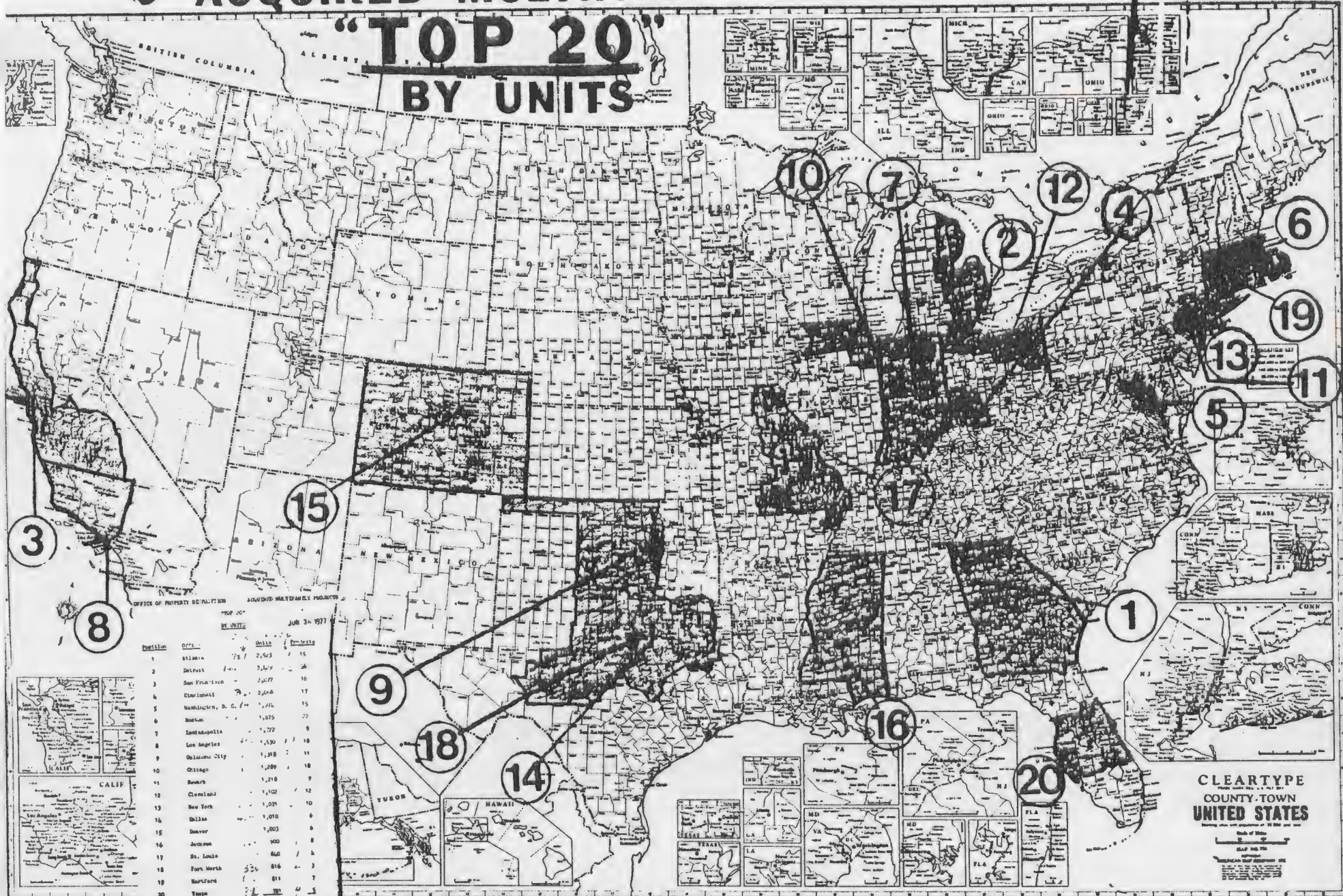
# HOME PROPERTY INVENTORY LEVELS NATIONAL TOTALS FISCAL YEAR 1977



# ACQUIRED MULTIFAMILY PROJECTS

7-1-77

## "TOP 20" BY UNITS



OFFICE OF PROPERTY ACQUISITION  
ACQUIRED MULTIFAMILY PROJECTS  
JUL 31 1977

Rank	City	Units	Percentage
1	Atlanta	2,563	15
2	Detroit	2,469	16
3	San Francisco	2,427	17
4	Cleveland	2,408	15
5	Washington, D. C.	1,976	22
6	Boston	1,975	10
7	Indianapolis	1,772	11
8	Los Angeles	1,530	11
9	Philadelphia	1,318	10
10	Chicago	1,289	9
11	Bakers	1,218	12
12	Cleveland	1,102	10
13	New York	1,071	6
14	Dallas	1,010	8
15	Denver	1,003	8
16	Jackson	900	3
17	St. Louis	860	7
18	Fort Worth	816	4
19	Baltimore	811	3
20	Seattle	786	2
	<b>Total</b>	<b>28,357</b>	<b>100</b>

Percent of National Inventory . . . 74.696  
National Inventory . . . 37,560  
17.1%

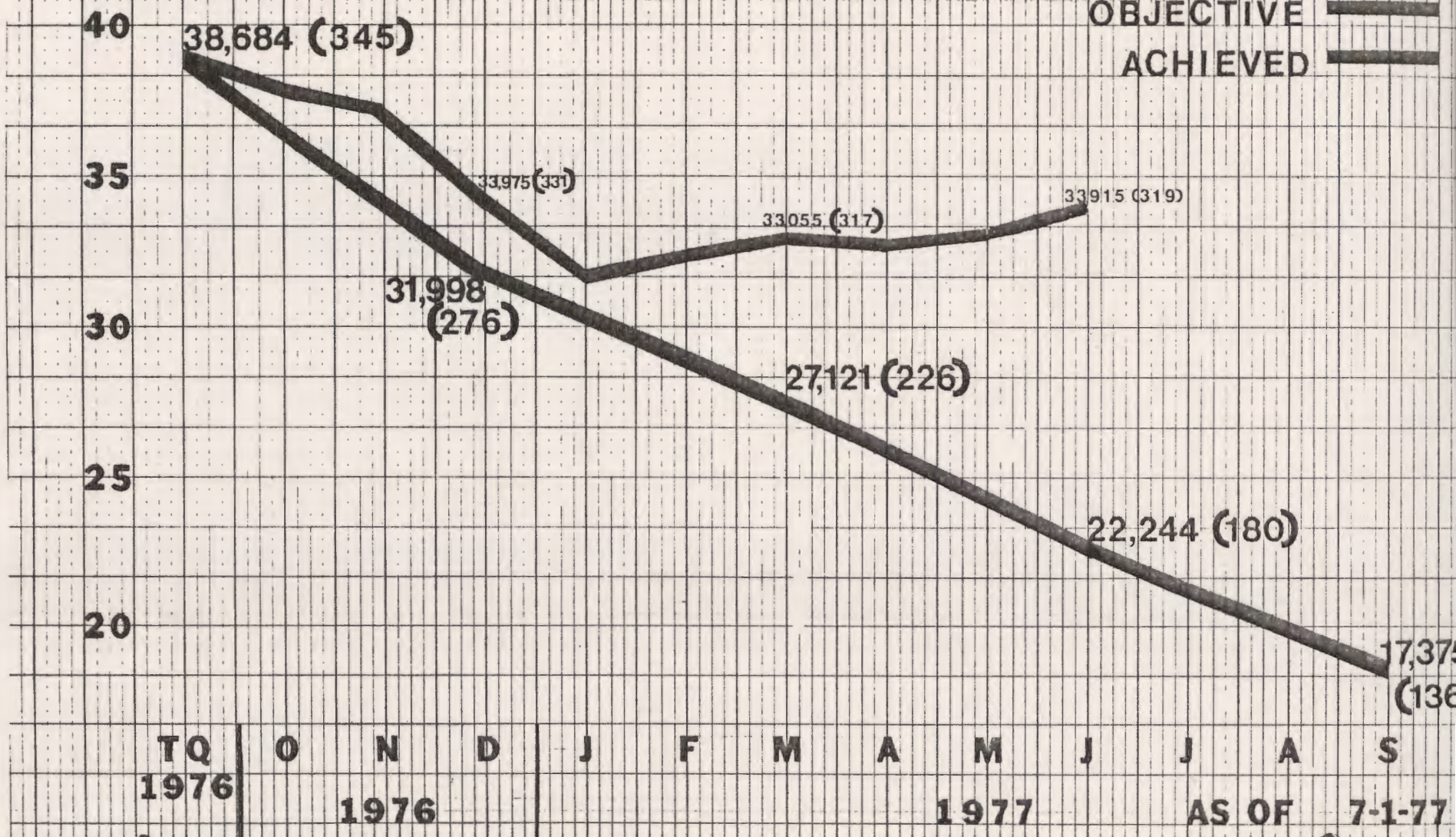
CLEARTYPE  
COUNTY-TOWN  
UNITED STATES

# FY 1977 GOAL REDUCTION MULTIFAMILY INVENTORY

UNITS (THOUSANDS)  
IN INVENTORY

REGIONAL OPERATING PLAN  
NATIONAL TOTALS

KEY  
OBJECTIVE ———  
ACHIEVED ———



## **THE MANAGEMENT CHALLENGE**

---

- **COMPLEX PROGRAMS**
- **HIGH FINANCIAL EXPOSURE  
AND VISIBILITY**
- **DECENTRALIZED DELIVERY**

**WHAT WE FOUND  
IN JANUARY 1977**

**A DEPARTMENT**

- **DISCREDITED AND  
DISHEARTENED**
- **CLOSED MANAGEMENT**
- **INEFFECTIVE MANAGEMENT  
PROCESSES**

## WHAT WE HAVE DONE SO FAR

- **STRENGTHENED ACCOUNTABILITY**
- **TIGHTENED INTERNAL CONTROLS**
- **OPENED UP COMMUNICATIONS**
- **INCREASED PROGRAM EFFICIENCY**
- **SET FUTURE COURSE FOR  
DEPARTMENT (REORGANIZATION)**

## NEXT MAJOR STEPS

- MERGE REGIONAL/AREA OFFICE IN SAME CITY
- CUT PROCESSING TIME
- ONE-STOP DECISION MAKING
- REDUCE OVERHEAD COSTS
- INCREASE ACCOUNTABILITY — HQ OVER-RIDE
- NEW MANAGER SELECTION — TALENT BANK
- ELIMINATE AND DOWNGRADE FIELD OFFICES  
FROM 87 TO 47 MAJOR FIELD OFFICES
- ESTIMATED 4-YEAR OFFICES

HUD \$ 91.8 MILLION

INDUSTRY/CONSUMER 453.1 MILLION

\$544.9 MILLION

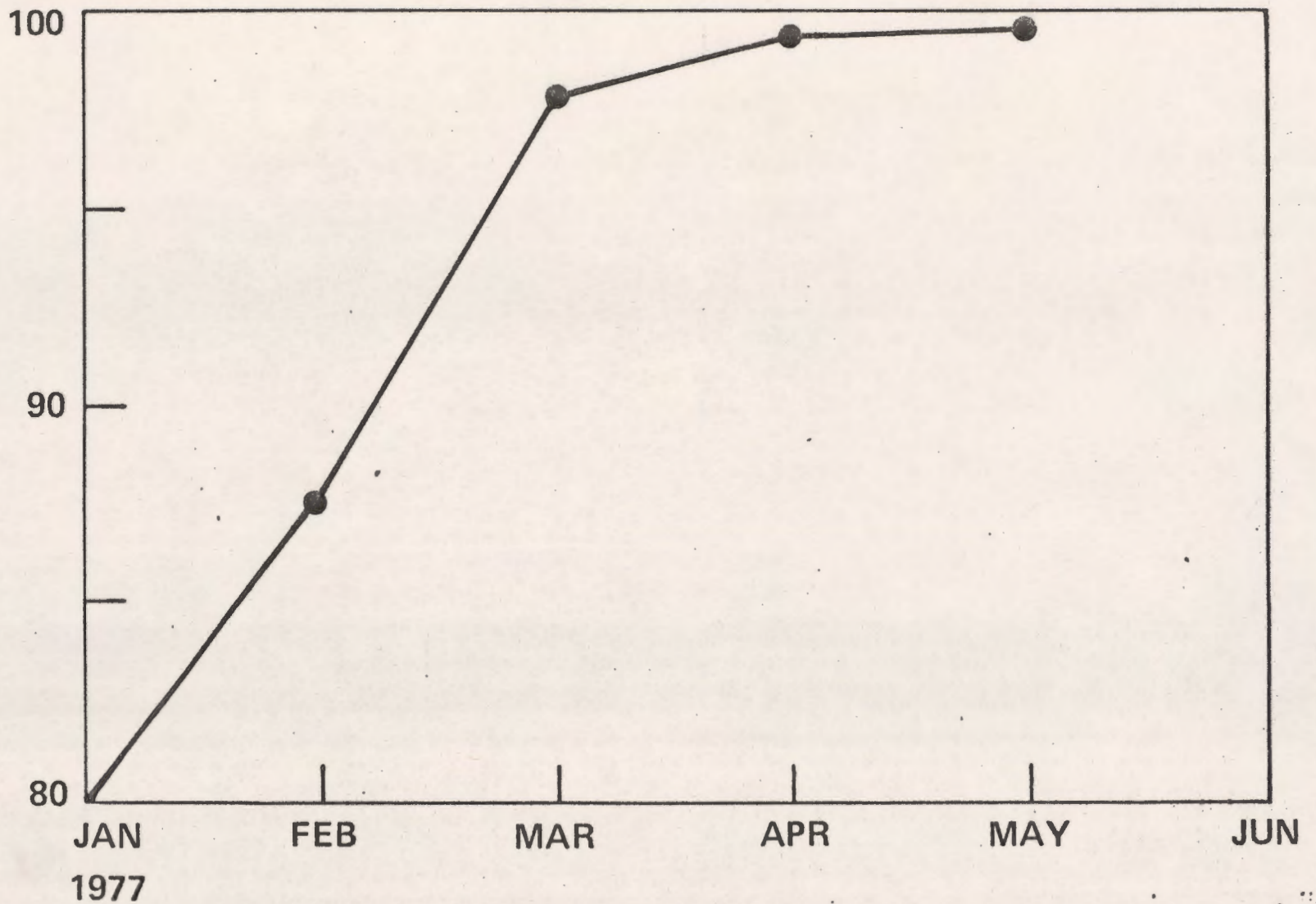
**OFFICE  
CONSOLIDATIONS**

	<u>FROM</u>	<u>TO</u>
<b>REGIONS</b>	<b>10</b>	<b>10</b>
<b>AREA OFFICES</b>	<b>42</b>	<b>37</b>
<b>INSURING OFFICES</b>	<b>35</b>	<b>0</b>
<b>MAJOR HUD OFFICES</b>	<b>87</b>	<b>47</b>

## SCORE CARD

### TIMELINESS OF ACCOUNTING REPORTS

PERCENT  
ON TIME



# **NEW DIRECTIONS FOR HUD UNDER CARTER ADMINISTRATION -- BASIC PHILOSOPHY**

PURPOSE OF THIS PAPER IS TO PRESENT THE MAJOR DIRECTIONS HUD PROPOSES TO TAKE UNDER THE CARTER ADMINISTRATION. THESE DIRECTIONS DO NOT REQUIRE SPECIFIC FUNDING LEVELS BUT WILL HELP PROVIDE GUIDANCE IN THE DEVELOPMENT OF THE BUDGET.

## **I. CENTRAL THRUST OF HUD'S POLICIES SHOULD BE THE REVITALIZATION OF URBAN AREAS**

- PRESERVE EXISTING NEIGHBORHOODS USING SUBSIDIES FOR EXISTING HOUSING, URBAN HOMESTEADING, REHABILITATION PROGRAMS, AND NEW CONSTRUCTION.
- PROVIDE INCENTIVES FOR MIDDLE INCOME CITIZENS TO RETURN TO OR REMAIN IN CENTRAL CITIES. MAY INVOLVE SPECIAL SHALLOW SUBSIDIES. POSSIBLE FHA ROLE.
- PROVIDE SUBSIDIZED HOUSING FOR LOW AND MODERATE INCOME PERSONS WHO WISH TO STAY IN CENTRAL CITY.
- COORDINATE ECONOMIC DEVELOPMENT WITH URBAN DEVELOPMENT INITIATIVES. MAY INVOLVE ENCOURAGEMENT OF REINVESTMENT IN NEIGHBORHOODS, LINKING LENDERS, NEIGHBORHOODS, AND CITY GOVERNMENTS. MAY INVOLVE NEW-TOWN-IN-TOWN CONCEPT.

## **II. USE HOUSING PROGRAMS AS AID TO REVITALIZATION AND TO PROVIDE NECESSARY SHELTER FOR ALL CITIZENS**

- EXPAND SUPPLY OF HOUSING FOR LOW AND MODERATE INCOME PERSONS WITHOUT REGARD TO VOLATILE ECONOMIC CHANGES.
- MAINTAIN EXISTING SUPPLY THROUGH MAJOR REHABILITATION EFFORTS AND PROVIDE INCENTIVES FOR CREATION OF A REHABILITATION INDUSTRY.
- PROVIDE SUFFICIENT SUPPORT SERVICES -- SOCIAL, COMMERCIAL, RECREATIONAL -- TO ENSURE THAT SUBSIDIZED HOUSING IS AN INTEGRAL PART OF REVITALIZATION EFFORT.
- UTILIZE HOUSING ASSISTANCE PLANS TO THEIR FULL POTENTIAL AS TOOL FOR USING HOUSING IN REVITALIZATION EFFORT.
- USE HUD INVENTORY IN IMAGINATIVE FASHION TO HOUSE THE POOR AND AID REVITALIZATION.

# **NEW DIRECTIONS FOR HUD UNDER CARTER ADMINISTRATION -- BASIC PHILOSOPHY (CONT'D)**

## **III. PROVIDE FREEDOM OF CHOICE IN HOUSING FOR ALL PERSONS**

- TO PROVIDE MEANINGFUL CHOICE, MUST ESTABLISH DIFFERENT PROGRAM OPTIONS FOR DIFFERENT TYPES OF CONSUMERS: HOMEOWNERSHIP, ELDERLY HOUSING, INDIANS, FAMILIES, ETC.
- MAY INVOLVE SMALL NEW COMMUNITIES IN SUBURBAN AREAS WITH INTERAGENCY COORDINATION TO RATIONALIZE EXISTING PROGRAMS FOR SEWERS, WATER, MASS TRANSIT, AND JOBS.
- NEED TO ADVISE PEOPLE ON THE RANGE OF CHOICES AVAILABLE AND THE CONCURRENT RESPONSIBILITIES OF SUCH CHOICES (COUNSELING, TECHNICAL SERVICES).
- IN A DEMOCRATIC SOCIETY, GOVERNMENT MUST ENSURE THAT ALL PEOPLE OF ALL RACES AND INCOME LEVELS HAVE THE OPPORTUNITY TO LIVE WHERE THEY CHOOSE -- NOT JUST IN CITIES, BUT SUBURBS AND RURAL AREAS AS WELL.
- COORDINATION NEEDED AMONG VARIOUS FEDERAL HOUSING PROGRAMS IN FARMERS HOME ADMINISTRATION, VETERANS ADMINISTRATION, AND HUD.

## **IV. INCREASE CAPACITY OF COMMUNITIES AND NEIGHBORHOODS TO ACHIEVE REVITALIZATION**

- FACILITATE THE EXCHANGE OF EXPERIENCES AND IMAGINATIVE APPROACHES BETWEEN COMMUNITIES.
- HELP TO PROVIDE MANAGEMENT EXPERTISE TO AID COMMUNITIES IN EFFICIENTLY USING STATE, LOCAL, FEDERAL, AND PRIVATE FUNDS.
- HELP NEIGHBORHOOD GROUPS TO DEAL WITH THE COMPLEXITIES OF USING AVAILABLE RESOURCES IN REVITALIZATION AND STABILIZATION EFFORTS.

# U.S. funds to help neighborhoods

HUD to Simplify Rules On Land Sale Dealings

HUD offers New York help

City Shift Not Declining - City Changing Not Skidding

Tenants appeal to HUD

Say, You Ought to See Baltimore

There have been about 100,000

Inner-city mortgage funds may rise

Some real help for the cities

Eagleton views damage, lauds federal response

HUB quota forces suburban housing to accommodate Chicago minorities

HUD Helps Families Get Home Again

HUD Chief Pledges New Urban Strategy

Springfield Program To Sell Inner-City Homes for a Dollar



Over 50% Of Federal Housing Fund Go To Montana's Seven Reservation

HUD Relents; Montpelier Regains 'Lost' Funds

City to Guarantee Loans To Buy and Repair Homes

Rapid City first to create zoned floodway

Housing Improvement Program Ready To Help Fix Up Cheese Homes

Washington's Helo Community program earns better score

Funds should increase for renewal programs

Aid for Chicago aids the nation

Maryland will share in solar water heat grant

Approval of housing 'a victory'

HUD funds helped 400 families

US favors credit Carter for cities' turnaround

Detroit Finds Uncle Sam A More Generous Friend

Bleek Grant Program Working, Maxwell

Homebuying counseling set here, U.S. aides say

HUD Seeking Housing Funds

A Housing Program That Works

Urban aid bills gain in Congress

CHA lauds new improvements

Mrs. Carroll grateful for HUD trailer

HUD to help provide insurance for N. Side housing project

85 Percent Of Flood Victims Have Been Rehoused By HUD

Maryland seeking to become pioneer in rural housing

Community development is working

St. Louis To Get \$600,000 Under Urban Homestead Plan

130 black families go suburban in test plan

Hanley Praises Housing Proposal

HUD May Change Policy to Open Up Suburban Housing

HUD Gives Vermont More Housing Units

HUD Team May Give FHA a 'New Bang'

Housing panel encouraged by Carter administration

A \$90-million downtown mall boosts rebirth in Philadelphia

A Brighter Future For Black Contractors

Mayors Told Washington Control Of Urban Policy Is at an End

HUD funds helped 400 families

White sees Carter helping Boston

Increase in federally insured home loans planned

THE PRESIDENT HAS SEEN.

2:45 p.m.

THE WHITE HOUSE

WASHINGTON

July 27, 1977

MEETING WITH CONGRESSMEN RODINO AND EILBERG

Wednesday, July 27, 1977

2:45 P.M. (15 minutes)

The Cabinet Room

From: Frank Moore *f.m.*  
Stu Eizenstat *Stu*

I. PURPOSE

When you spoke with Congressman Rodino last week, you said that you wanted to meet with him prior to the announcement of the undocumented aliens policy, now tentatively scheduled for next Monday. This meeting responds to that request. Rodino has asked that Congressman Joshua Eilberg (D. Pa.) also attend; he is chairman of the Immigration Subcommittee, which will consider our proposal before it reaches the full Judiciary Committee.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background

Your call to Rodino has made him more receptive to our proposal, but he still has serious problems with some of its parts. When Judge Bell and Stu met with him (and Eilberg) yesterday, Rodino stated his objection to (a) omission, as part of the employer sanctions, of criminal penalties (his bills have always contained such penalties and he believes no bill without criminal penalties can pass the House); and (b) the concept of "non-deportable alien" (he believes that will create a "second class" status for millions of residents and favors, instead, permanent resident status for illegals here for three years.)

Our employer sanctions contain only civil penalties (except for the employer who violates an injunction and is thus subject to criminal contempt and for the employer who receives compensation for knowingly assisting an undocumented alien obtain work) because of the unanimous feeling of the Task Force that broadly applied criminal penalties would result in greater discrimination by employers of Hispanics. In addition, we believed criminal penalties would ensure defeat in the Senate, which, (because of Eastland's opposition) has twice refused to consider House-passed bills containing criminal penalties. Our proposal includes the

non-deportable status because it is a compromise between two other alternatives which seem politically unacceptable - doing nothing to adjust status and adjusting status completely (amnesty). In addition, the promise of 5 year non-deportability was seen by the Task Force as the only way to encourage registration without committing the government to a permanent adjustment of status.

Beyond Rodino's substantive concerns, he seemed unwilling to push any aliens bill until the Senate acts. While he would like to be supportive of our proposal, he feels reluctant to move a bill with which he is uncomfortable until it is at least clear the Senate will pass such a bill.

Congressman Eilberg echoed many of Rodino's comments, though he seemed more anxious for immediate House action, provided it is on his bill (essentially Rodino's bill from last year). He appeared almost completely unwilling to work with our proposal.

Given Rodino's and Eilberg's views, the most that can be hoped for from the meeting is a commitment from Rodino to introduce, and have Eilberg hold hearings on, our bill, though clearly stating his differences with us and his intent to work to resolve them in the coming months.

#### B. Participants

Congressmen Rodino and Eilberg, Judge Bell, Secretary Marshall, Frank Moore, Stu Eizenstat, and one person from each of the participants' staffs.

#### C. Press Plan

None

### III. TALKING POINTS

1. Our proposal builds on the work they have been doing in this area for the last ten years; the frame-work is theirs, and we have only modified it.

2. You recognize there are differences on certain major concepts - like employer sanctions and adjustment of status - but do not feel they are irreconcilable.

You feel that the Administration has worked on the problem long enough and you do not want to delay an announcement of our policy. But you believe the differences can be resolved during the legislative process.

3. You hope Rodino will introduce and generally support our bill, though he should feel free to state publicly that he has some differences with our approach and expects to resolve them soon.

4. You hope Eilberg will schedule hearings on the Administration proposal promptly and work with us to resolve the differences between our bill and his.

THE WHITE HOUSE  
WASHINGTON

July 27, 1977

Hamilton Jordan

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: POSITION OF FEDERAL INSURANCE  
ADMINISTRATOR

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

*Haw  
J*

TUESDAY - JULY 26, 1977  
6:45 p.m.

MR. PRESIDENT

PAT HARRIS CALLED ABOUT 6:30 P.M.  
TO CONVEY TO YOU THE FOLLOWING  
MESSAGE -- THAT SHE OVERLOOKED  
THE POSITION OF FEDERAL INSURANCE  
ADMINISTRATOR AS ONE THAT HAS YET  
TO BE FILLED.

IT IS A LEVEL 4 POSITION THAT THEY  
WILL GET TO "IN THE NEXT FEW WEEKS."

T.K. *TK*

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

July 27, 1977

Hamilton Jordan

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: FRANK NEEL

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
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	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 26, 1977

MR. PRESIDENT:

We will spell out Frank Neel's  
knowledge of business, etc.  
The attached is just a  
beginning.

We will develop more if  
problems should develop  
with the Senate confirmation.

Attachment

N.J.  
H.J.

Ham  
ak  
J

Electrostatic Copy Made  
for Preservation Purposes

## EXPERIENCE

### Frank Neel

Appointed to the Board of Industry and Trade of Georgia in February 1971. Reappointed for a six year term in March of 1972.

During service with the board, he has always attended the meetings, never neglecting the business of the Board and the importance of increased industry and trade to the State of Georgia. His contributions to the Board were not passive, but active and imaginative and always dedicated to improvement of the Board's contributions to the long-term growth and welfare of the State and its people in the most constructive way. He has been actively involved in all aspects of the Board's business, and is intimately acquainted with the many problems and decisions facing such a group. He is willing to work with other people to accomplish objectives and see them through.

In June 1972 was appointed as a Member of the George L. Smith, III Georgia World Congress Center Authority. The Board then elected Mr. Neel as its Vice Charman. He was in charge of the Planning Committee of the Georgia World Congress Center and visited (at his own expense) convention halls in the U.S. and in Europe in order to efficiently plan the Georgia Center. His contributions to the Center have been invaluable.

His civic duty included President of the Thomasville, Georgia, Chamber of Commerce and Member of the Committee of 100, State Chamber of Commerce.

For 12 years served on the Board of Commissioners of the City of Thomasville (elected in 1958).

Work with the Board of Industry and Trade and with the Georgia World Congress Center Authority has given him wide experience not only in Georgia, but throughout the country and in other countries of the world.

As President of Neel Air Conditioning and Heating Company, in Thomasville, Georgia, he employs 56 people and has business in several southeastern states. He is active in business management, including banking and real estate, and has practical experience in electrical, mechanical and solar energy planning, and research and installations in all phases that relate to construction work. Is a licensed airplane pilot with 1500 hours flying time, is a graduate of Emory University as an electrical engineer, and holds State of Georgia licenses as Master Plumber, Master Electrician; is a member of the National Association of Plumbing, Heating and Cooling Contractors, Director of the 1st National Bank of Thomasville, Ga., and Director of Neel's, Inc.-a Department Store in Thomasville.

THE WHITE HOUSE  
WASHINGTON

7-25-77

Sam.

Unless we spell out  
clearly Frank Neel's know-  
ledge of Business, I & T,  
WCC, etc. we may  
have trouble - Do so.

J